



Customer INSIGHT in the world of Telecom



Introduction

- Customer insight in the world of Telecom

Ambition with presentation

- Give a brief overview of our research methods
- Present three customer insights projects
- Present the Telenor way of industrializing the insight process
- Discuss the strategic implications of customer insights to strategy development

Content of presentation

- Introduction
- What is insight
 - Methods available
 - Analytical perspectives
 - Systemizing knowledge
- Case studies
 - Urban Youth in Podgorica
 - Global youth 2005-2009
 - Contextualizing customers
- Industrializing insight
 - Building a insight driven company
 - Designing a Brand insight system
 - Turning insight into strategy

Introduction



Who?

- Truls Erik Johnsen
- Ethnologist and Brand Analyst, Telenor Group Industrial Development
- Responsibilities:
 - Project manager of Telenor MAP projects
 - Development of Insight tools and methods
- Fields of interest:
 - Cross cultural communication patterns
 - Economic strategies
 - Youth cultures
 - Transnationalities
 - User driven innovation
 - Design research
 - Bicycles
- Contact info:
 - truls-erik.johnsen@telenor.com

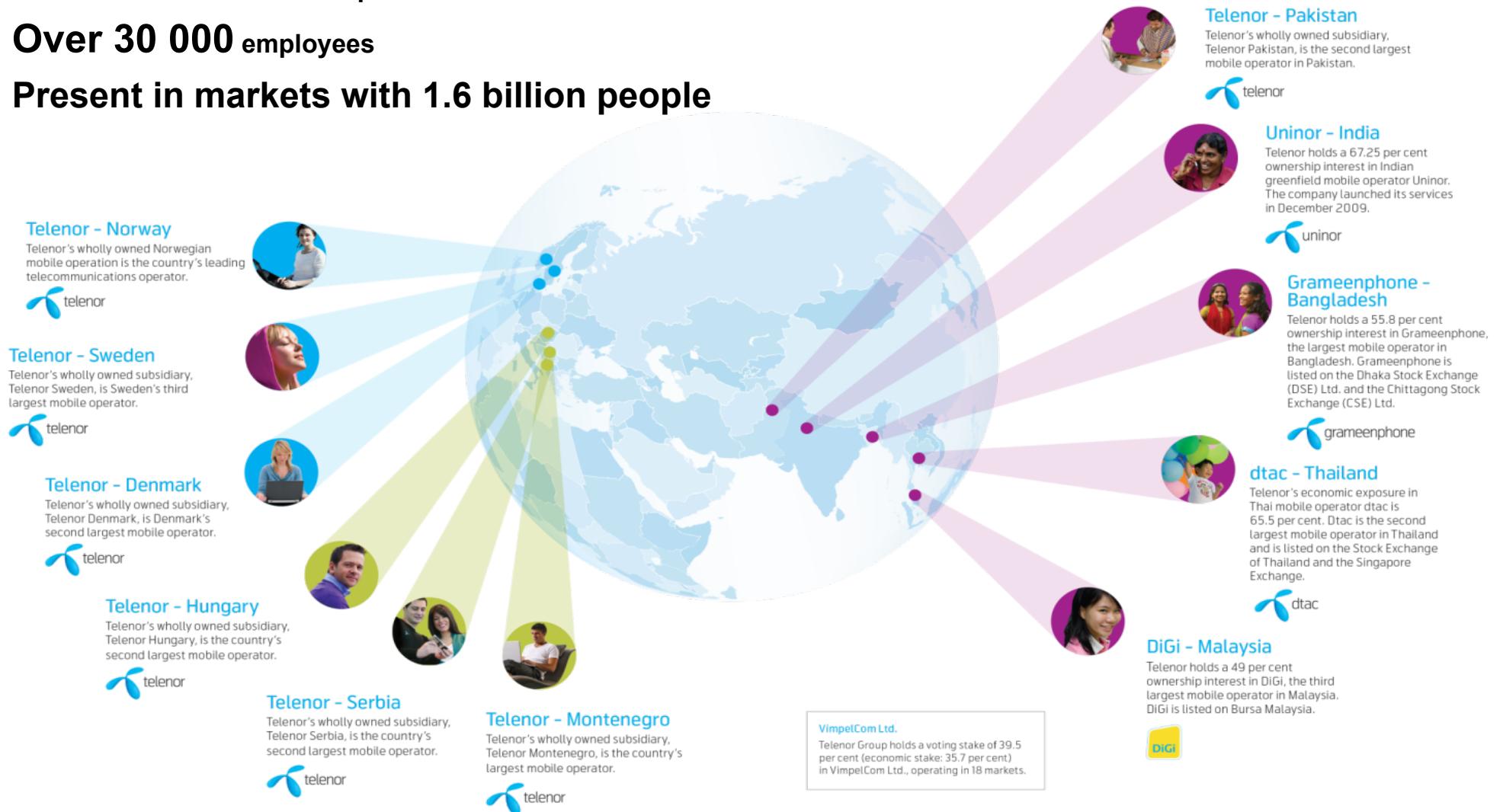
Why INSIGHT

Telenor – one of the major mobile operators in the world

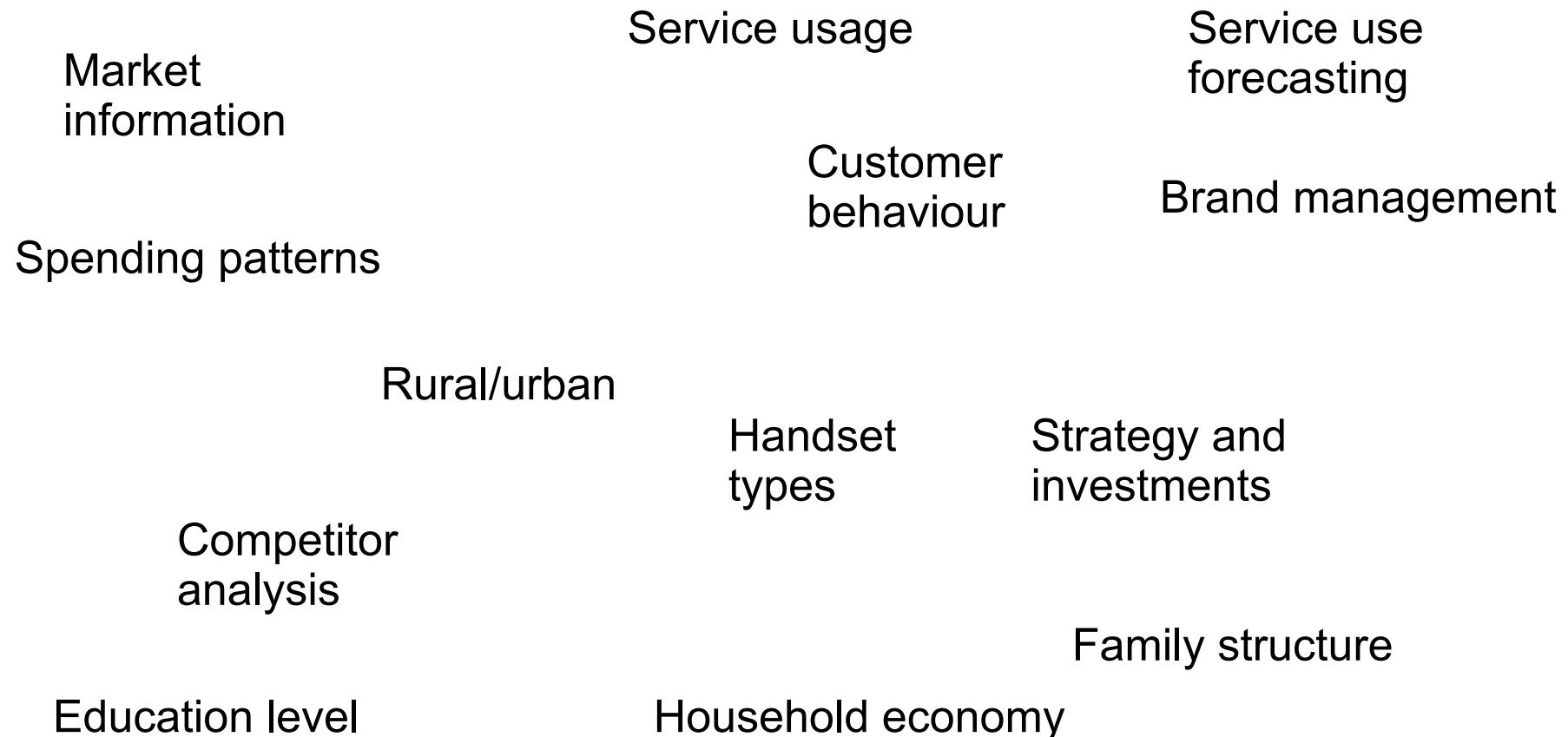
149 million mobile subscriptions

Over 30 000 employees

Present in markets with 1.6 billion people



A constant need for information



Growth comes
from
understanding
the needs of
people to drive
relevant **change**

How to get INSIGHT

How to get INSIGHT?



Qualitative research



Quantitative research

Qualitative research

- In-depth interviews
- Focus groups
- Observation
- Participation



In addition we do desktop studies as preparation for qualitative fieldwork where we look into demographics, culture, telecom-related background information, previous and current initiatives related to proposed activity, etc.

Qualitative research provides us rich data on behaviour, culture, technology use, family structures. It gives us an opportunity to understand the respondents life-world. How he or she (or they?) understand their world, their life, their opportunities and challenges. And through that it provides a starting point for development of new theories, services, tools or methods.

Quantitative research

■ Surveys

- Specific case-by-case surveys to cover a specific theme
- Running trackers to follow performance in the market
- Omnibus-style surveys that covers a multitude of themes

■ Database mining

- Utilizing the knowledge that is hidden in our servers.
Data mining to understand call patterns, service use, handsets in the customer base etc.



Quantitative research provides us with data on specific themes or patterns, however it lacks resolution when it comes to questions like "How" and "Why". It provides hard data on key factors that can be utilized either to measure performance or to get an overview of the market.

Some INSIGHT

Insights: 3 Projects

Global Youth Study

- During the last 4 years we've done more than 150 interviews with 17-24 year olds in our markets based on the same interview-guide. Key input to strategy processes and brand development for young people

Podgorica Storytellers

- Provided insight on the youth market and the cultural and economical differences in Podgorica, Montenegro

Contextualizing customers

- Paper presented at Ethnographic Praxis in Industry Conference 2009. The studies provided key input to pilot projects planned in Malawi and Pakistan



The Global Youth Study 2005 - 2008

Background

From Budapest vs. Kiev – to all Telenor Markets

The Norwegian djuice commercial had totally different “receipt” in Hungary and Ukraine and Kiev – successful in Kiev but not in Budapest

- A need for an understanding of cultural differences and similarities between two specific markets
- Evolved into the Global Youth Study
- More than 200 interviews conducted based on the same framework so far
- Each interview average at 1 hour



Aim, Goal, Outcome

- **AIM:** Do a comparative research of communication and consumption by youth in our markets. Do an in-depth trend analysis of the youth (consumer) segment - to achieve customer insight in a 2 – 4 years perspective
- **Goal:** Create an understanding of adoption patterns and the need for new services – give a peek into the future of mobile communication patterns
- **Outcome:** Knowledge about similarities and differences in communication behaviour in the youth segment in our markets

Methodology

Qualitative research, rapid ethnography (I)

- A qualitative approach gives us the ability to dive deeper into the actual communication habits, and to follow the themes in the interviews in a very flowing manner
- The information gathered will be adjusted to the interviewee's own reflections, experiences and communication patterns. The interviews gives the possibility to establish an interpretive knowledge of the subjects discussed
- The aim is to get an understanding of the meanings, aims and *lebenswelt* – or worldview – of the persons interviewed – how they see the world, how they want to be perceived by others and their “meaning of life”

Methodology

Qualitative research, rapid ethnography (II)

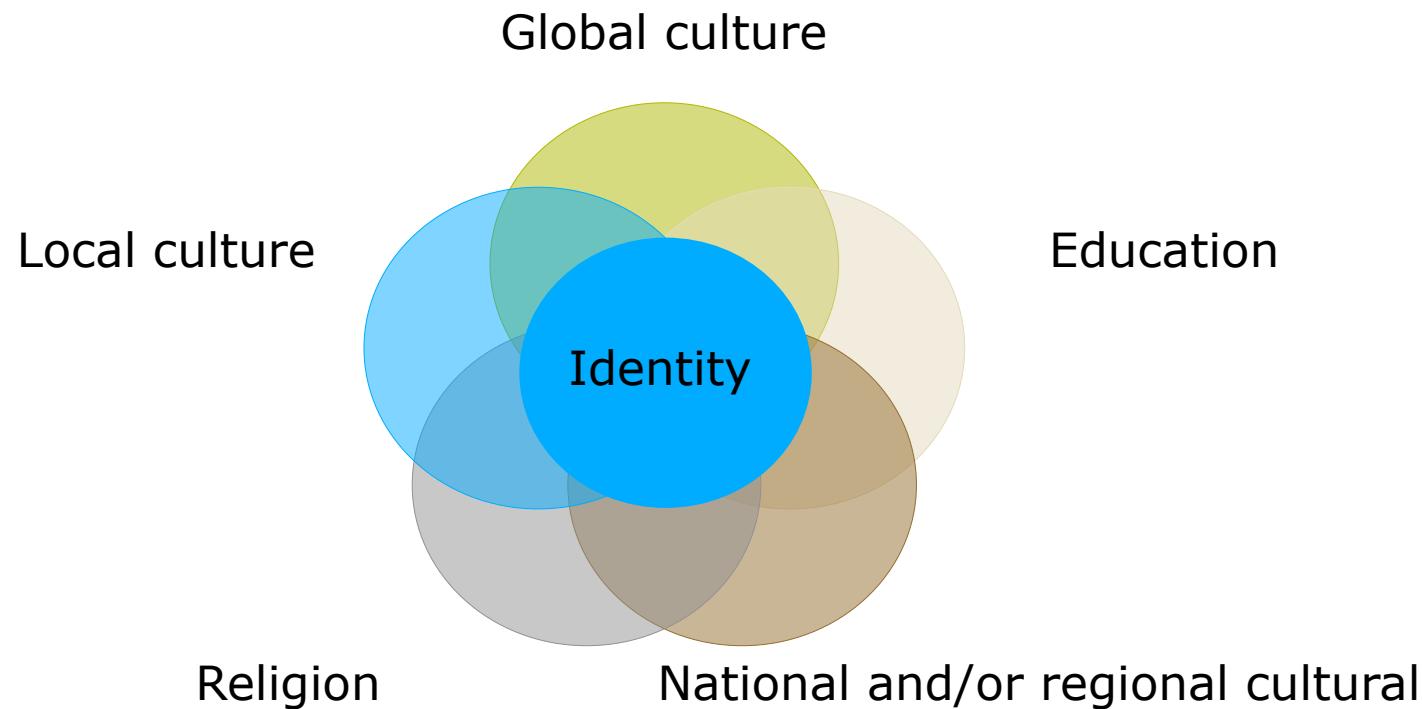
- When the YaHs tells about them selves they reveal their heritage and the impact of cultural influence:
- Their reality – our informants tells us about their own reality (lifestyle, everyday life etc), but also how they want to be perceived by other people – who they want to be. Over-communication will therefore give important information in qualitative studies.
- Their stories will therefore gives us unique information – even if they “oversell” some of their characteristics – who people want to be is important when it comes to consumption
- Our informants stories about their life is influenced by with whom they have interacted, and what they experience at specific places and times over the course of their lives
- The analysis are therefore based on hearing what the YaHs say and further understand what this say about the assumptions they make about themselves and the world around them

“Same same – but still different”
“Different different – but still the same”



**Global youth culture on the “outside”
– but local values on the “inside”
– transform the ideas to their own cultural expressions**

Global Youth Culture - Creating identity



Global Youth Culture

Mc Donald's – “just a cool hang-out place”

Global products and brands do not mean the same as global people.
There may be global markets, but most consumer patterns are local

- The consumption patterns might seem similar around the world but the meaning might not
- Identity making through culture – becoming modern or American through drinking a haf-caf latte at Starbucks – is transitory
- Media products are often a result of inspiration from abroad, but with a local “touch” and style consciousness





Podgorica Storytellers

Photo diary?

- “Picture stories”, “Photo-elicitation” or “Photo voice”
- Photos utilized to initiate a dialogue that transcends what is obvious to the eye. Gives an opportunity for both researcher and informant to be self-reflective and interpret what the photo really means.
- Photos utilized as a tool to encourage the participants to discuss a specific theme (Rosalind Hurworth, “Photointerviewing for Research”)
- The photos becomes the storyline to create a conversation around.

Storytelling – Podgorica style

- 12 participants were recruited via Facebook. Several networks with a base in either Montenegro or Podgorica were contacted. One of these responded and we managed to recruit 12 participants. These provided us with diary notes over a 15-day period
- The daily updates were to be done as diary notes, or short letters where the participants described what they've done that very day. Often accompanied by pictures or videos.
- We wanted to collect stories from young people living in Podgorica to get an understanding of urban life in Montenegro. This is the basis of our analysis of youth culture in Podgorica.



Daily life and social networks



Daily life

- Flexible time schedule for the students
 - Timing of daily activities is not the same every day
 - Coffee drinking with friends may take place during the day as well as during the night
- Being alone = being bored
 - One is complete only in company with other – similar finding to both the Serbian and the Hungarian youth study (2007 and 2005)
- Eager travelers – within the country
 - Weekends are often spent with friends on the coast or in the mountains
 - Stay at budget hotels, apartments or cottages/vacation homes
 - Most likely a “middle class” phenomenon due to the cost involved with traveling

First i went with XX to a very fancy café and i ate strawberries ...mmmm...they were so delicious and than we went to visit our friend XX...he is always near his home so were hanging out ...than we went with XX to buy hamburgers...sometimes I really think that all our life is about food :))...

We were talking and making plans for the weekend. Maybe we will go to the seaside if it will be sunshine.



"After lunch i met my friends in the center of Podgorica. We seated on a terrace of some café to drink a coffee, and chat a little. Then we took a walk down the Podgorica`s main street, and seated on a bench on "Republike" square"

Telenor R&I

 telenor

Tight-knit friends' circles

- Tight-knit circles
 - many have known each other since childhood
- High need for socializing with friends
 - Meeting daily for coffee or walks
 - Talking on phone if a day goes without seeing each other
 - Spending time alone in public is not common
- Spending weekends with friends on the coast or in the mountains

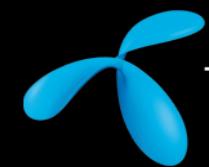
I had to relax ,so i went to my best friend and she gave me my therapy...we are best friends from childhood and neighbours too, so she knows exactly what i need in those situations :)...oh please God, bless [friend's name]...she listened me, han she made me coffee, and than she watched my cup (and told me my destiny :))-we are doing that every day, it's a kind of ritual...

I am a human being that can not stand to be alone...



On the wall you can see postcards from some of my favorite places visited by my sister or me. Some of them are: Barcelona, Lisbon, Athens, Prague, Geneva, Brussels, Budapest, Strasbourg, Amsterdam, Dubrovnik, Washington, Paris and others.

Telenor R&I

 telenor

Travel

- Most participants travel quite a lot within Montenegro and Serbia. Most often to either the coast or the mountains
- They aspire to travel abroad – a few have already traveled quite a bit
- Interest in Latin Europe and the Mediterranean
 - A few would like to explore more distant destinations – North Africa, Mauritius and Dubai

Montenegro and the world

- Europe as somewhere else
 - They don't consider themselves as a part of Europe. A lot of references to how things are done in the West or in Europe/EU.
- Strong willingness to be included in the EU, but also ambivalent feelings:
 - Western European living standard is tempting
 - But: worries about having to adapt to EU work habits, which is viewed as stressful
- Our respondents view Serbia as a brother-people
 - Same language
 - Same history
- Relation to Russia is ambivalent
 - Some look upon Russia as a big brother in the East
 - Centre of the Orthodox Church
 - Cultural hub – literature and science
 - Others claim that Russia has lost its significance
 - Want to move closer to Western Europe instead

- Russia was friends with our country many times. And there were times when they were not that friendly. But we are similar in the way of thinking.
[...]

-I disagree, I don't think we are similar. They sent us potatoes in the 15th century, but that's a fairy tale story our grandparents teach. I think it is better to turn to western civilization. Not leave our orthodox customs, but to move closer to Western Europe.

Seems like no-one work in Montenegro, from Monday to Friday when everyone should be at work, the cafés are full. That's why we would never go to Europe, I mean European Union, to work.

Instant communication of self identity through conspicuous consumption

- Instant communication of self identity is crucial:
 - Balkan is an area characterized by cohabitation of different ethnic and religious groups with long and changing histories of mutual cooperation and conflict. In societies like these, there is a need for instant communication of identity in public space.
 - The visual appearance becomes important as a tool to manage instant communication of self identity
- Flash value is a crucial aspect of consumption patterns:
 - Efforts are made to dress up when going out
 - Having a nice car is more important than having a functional car
 - It is worth spending extra money on a high end mobile because of how the ownership reflects on you
- Sharing and borrowing of clothes and goods is a strategy to be able to communicate the identity one aspires to



Womanhood and the new economy

- Womanhood is seen as something that needs to be achieved
 - Having children is an imperative part of this
- They don't expect support from men in their child rearing projects
 - Express wish to not be dependant on men, but take for granted that they will marry
- Want to take part in the new economy with good careers as well as to fulfill the traditional womanrole as prime caretaker of children
 - Research shows that after the disintegration of Yugoslavia, urban middle class women in Montenegro have experienced higher pressure to participate in salaried work, while their work burden in the household has remained the same (Rogg 2004)
- The traditional norm-sets exist parallel with new femininities (homemaker and career woman)

As a woman without a family I would totally consider my self incomplete...

I would like to be a happy mum with two kids and business woman with enough money for all my needs and needs of my kids...I don't want to depend on some man or anyone at all...



Summing up Youth Research

- Systematic approach to be in constant dialogue with the youth
- Create an understanding of youth culture that is deeper than just observation of trends
- Provide contemporary consumer insights that can spur on new concepts, coming directly from youths' mouth
- Provide input to branding, marketing and segment work
- Create New Knowledge





Contextualizing customers

- TRULS ERIK JOHNSEN, PER HELMERSEN
- *Telenor Group Business Development & Research*
- *Presented at Ethnographic Praxis in Industry Conference, 2009*



Contextualizing customers

Goals:

Information
+Education
+Inspiration
=Better decisions

Challenges:

**Socio-economic
background of decition
makers**

(Tribe?)Language



Contextualizing customers

Tools:

- Pictures
- Story telling
- Context information

A picture _do_ tell more than a thousand words..



Contextualizing customers

Economic strategies are shaped/invented locally

Provide an understanding of:

- Seasonal changes
- Monetary economy
- Family structure
- Consumption power
- Economic stability (or lack thereof)



Contextualizing customers

Selling second hand car parts in Malawi is quite different than selling cell-phones in Norway

Provide an understanding of:

- Trade routes
- Limited resources
- Entrepreneurship
- Economy



Contextualizing customers

Coverage maps and hard facts doesn't necessarily give the final answer

Customer Insight provide an understanding of:

- Communication needs
- Strategies to overcome tech hurdles
- How prejudice can shapes business cases



Contextualizing customers

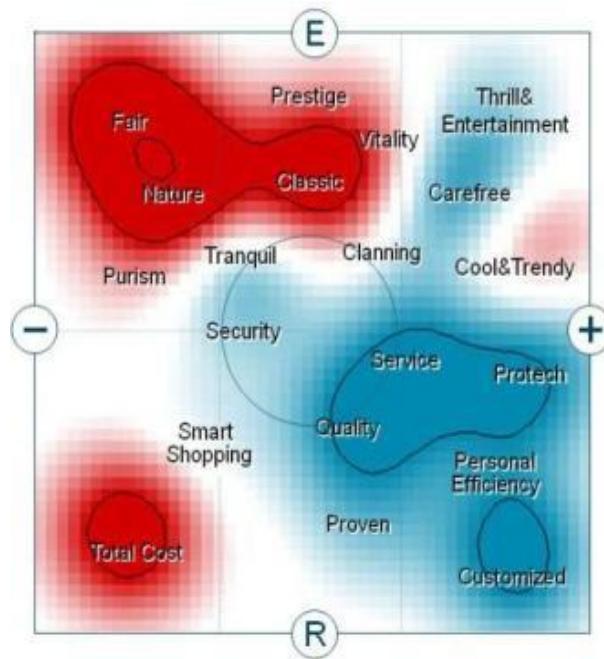
A Norwegian worldview does'nt provide the best understanding of local worldview....

Provide an understanding of:

- Religious practices
- Gender roles
- Local communities

Industrializing INSIGHT

Part 2 - Customer insight in the world of Telecom



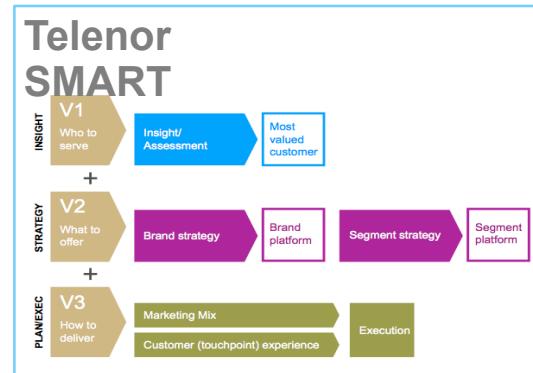
Industrializing insight

- Building a insight driven company
- Systemized and international approach
- Designing a Brand insight system
- Turning insight into strategy

Why industrialize customer insight?

***Telenor wants to deliver a differentiated and
superior customer experience***

How?

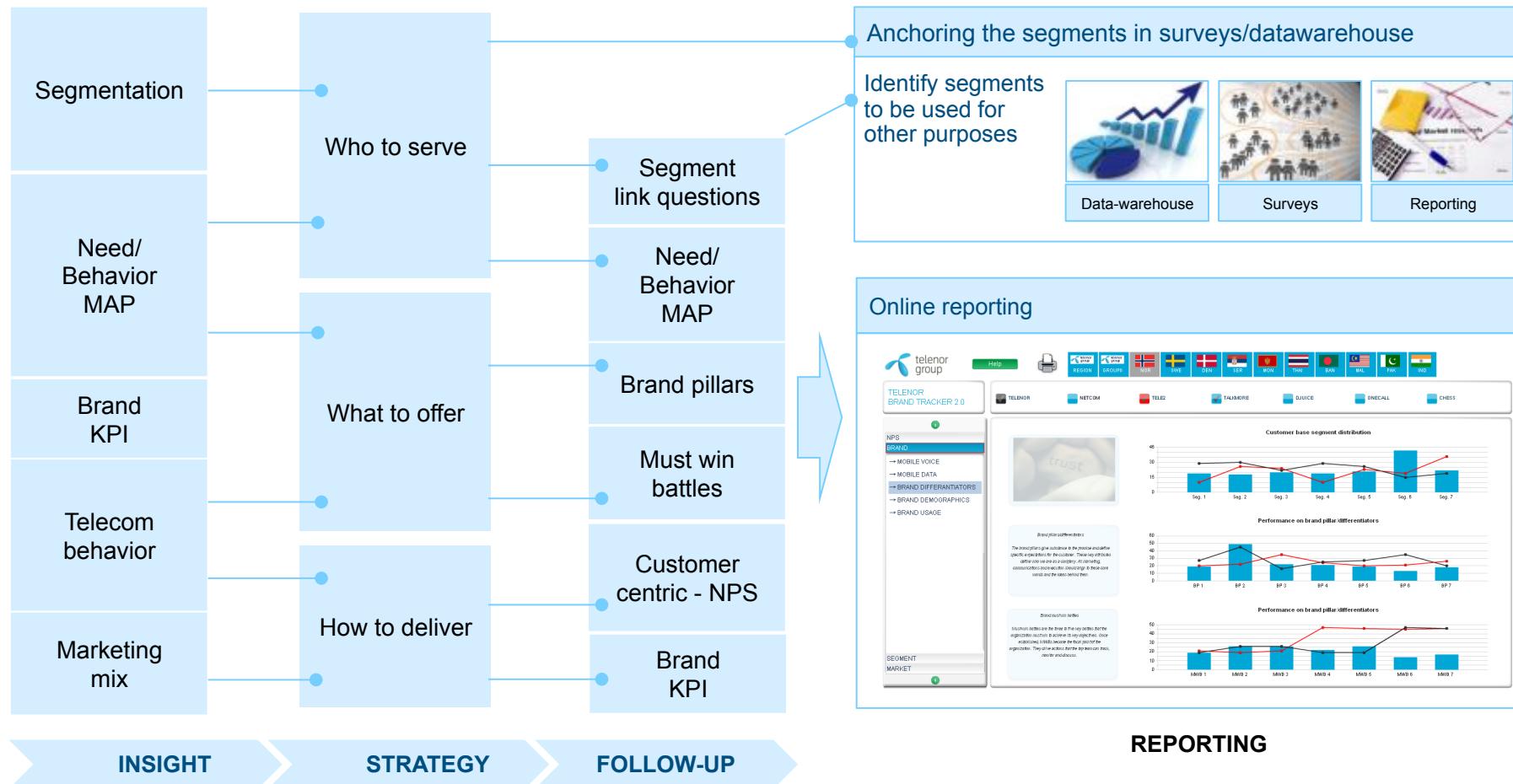


INSIGHT

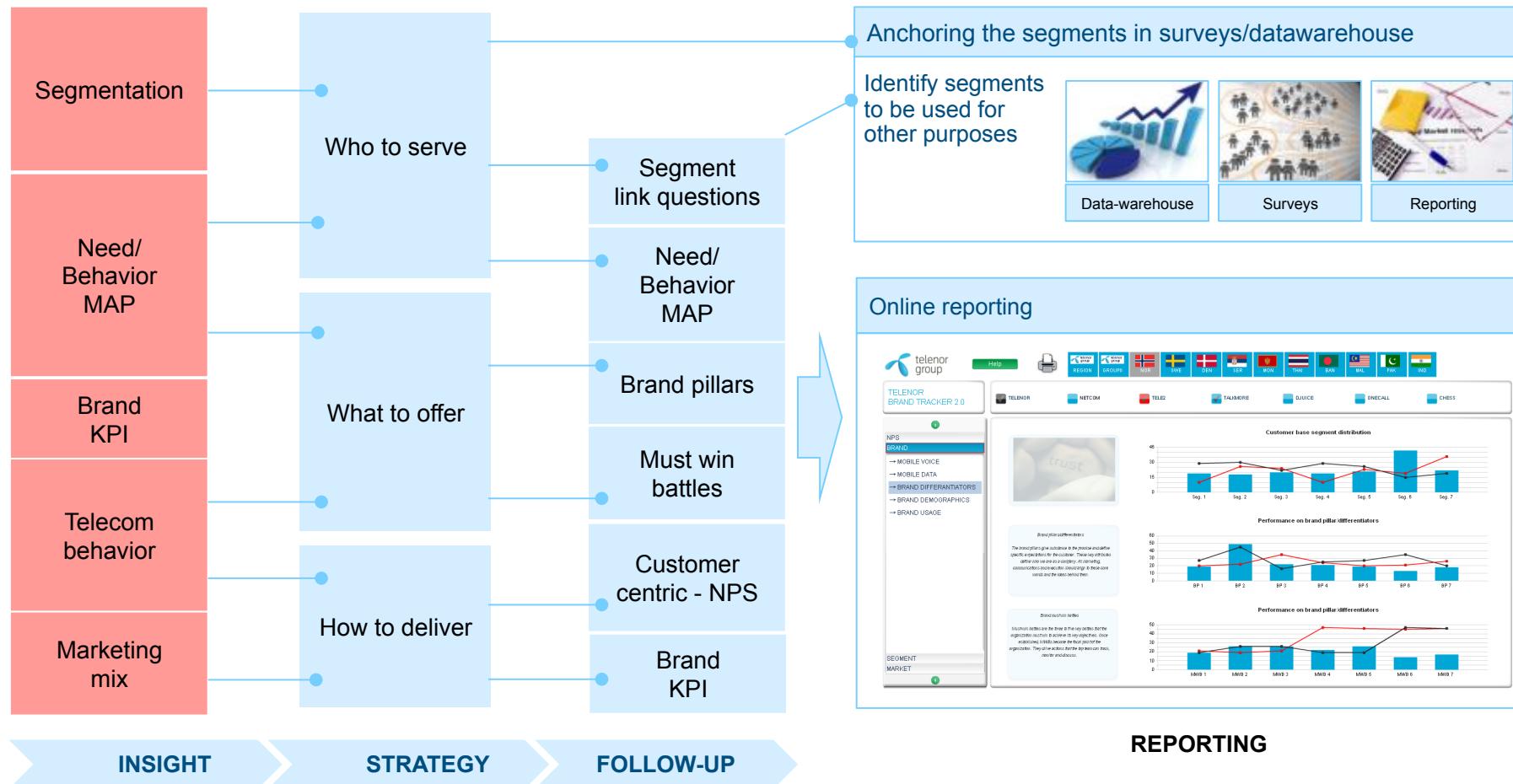
STRATEGY

FOLLOW-UP

A holistic perspective and measurement system



A holistic perspective and measurement system



Telenor MAP (Market Assessment of Performance)

Telenor MAP - an extensive market research with a unique value framework, within both consumer and business market

Extensive market research

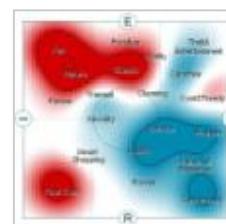


CONSUMER

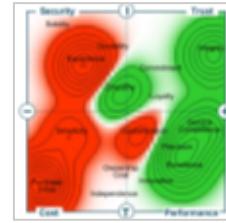
BUSINESS

- One basic questionnaire with local adaption
- Values, needs, behavior
- Brand specific, market and comp.
- Media and channel usage
- Telecom usage behavior and buying criteria
- Socio demographics

A unique value and need framework



CONSUMER



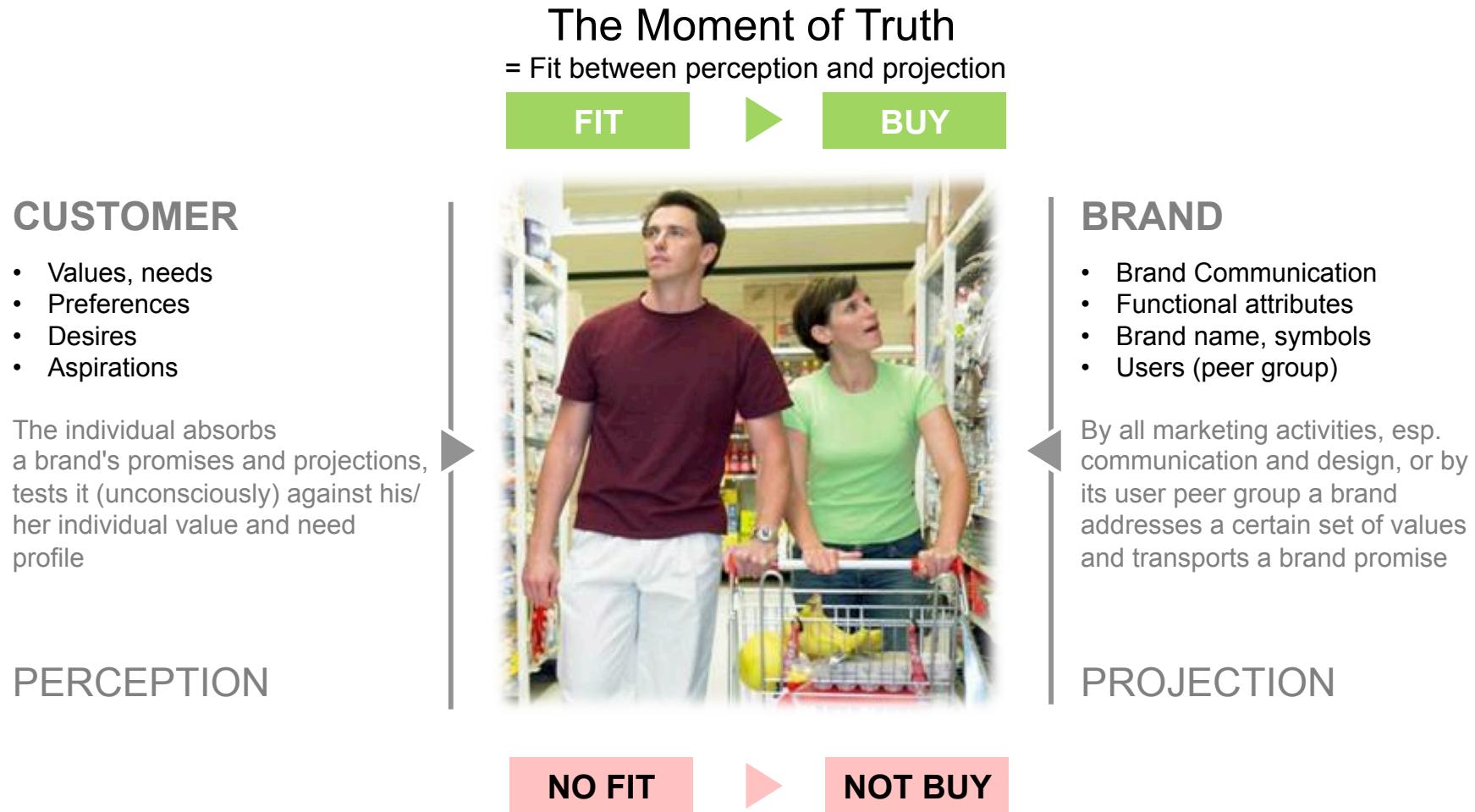
BUSINESS

- 20 consumer values
- Describe the core needs of people

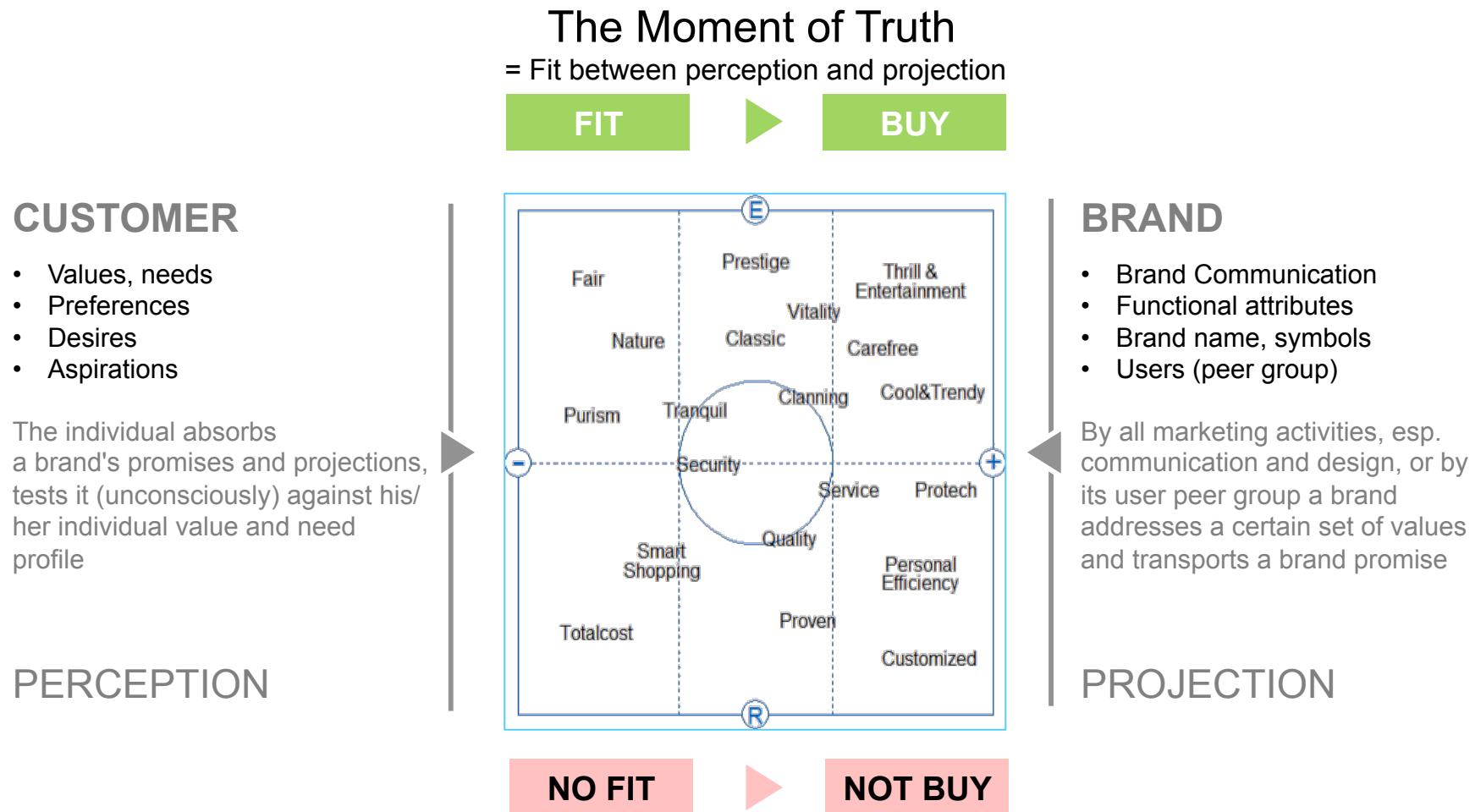
- 15 Business values
- Describe the core needs of businesses

- What are the important needs and values
- What are the distribution of the needs/values
- How do we match the needs and values of our customers

Fundamental hypothesis of Telenor MAP – the link between customer and brand values



Fundamental hypothesis of Telenor MAP – the link between customer and brand values



The Telenor MAP value framework indicates whether a person, group or brand does or does not stand for a specific value

MAP is the sum of individual Consumer Profiles

Example “Peter”:

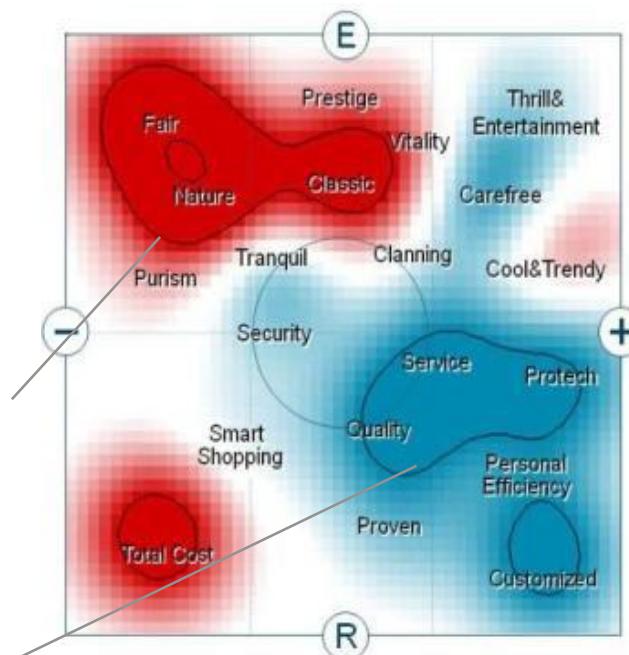
- 25 years old
- Male
- Single
- Medium income
- Medium level of education
- Works full time

RED =

Values that Peter disagree with, or that is not important to Peter

BLUE =

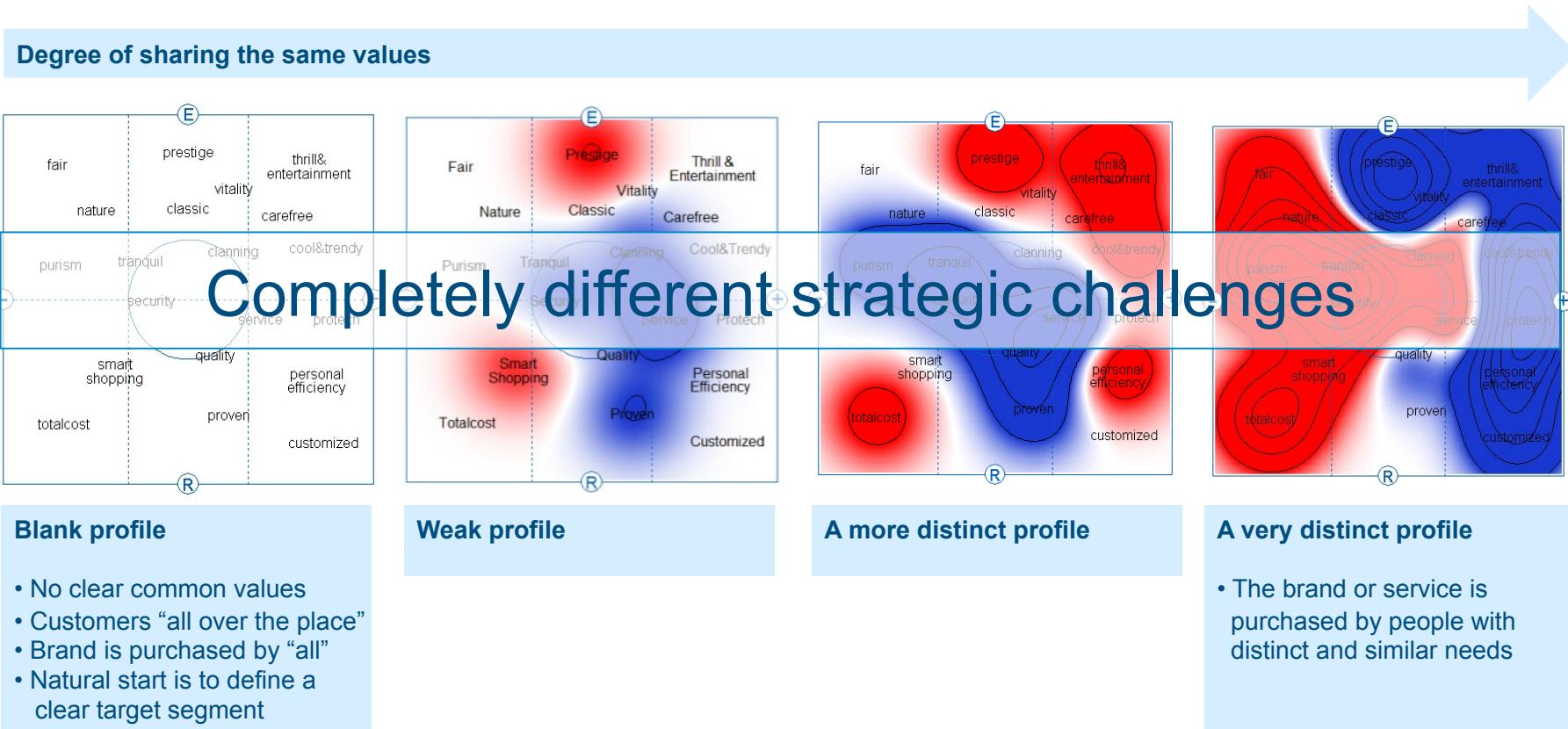
Values that Peter agree with, and that are more important to him



INTERPRETATION

- Peter is a **very modern, progressive** person
- He finds new, **innovative technology** very thrilling and demands **customized, service-oriented** and **top-quality** products
- **Money is not an issue** for Peter – he is ready to spend
- **Classical or ethical values do not matter** for Peter – he is **open to new things** and does not worry about society or the environment

The brand profile “comes to life” when we summarize all the brand users – the total customer base

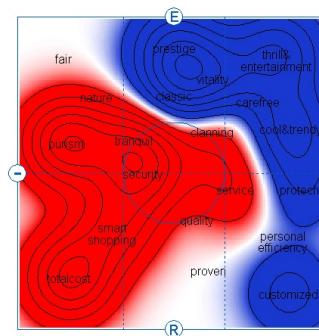


MAP identifies the “global” mobile broadband user...

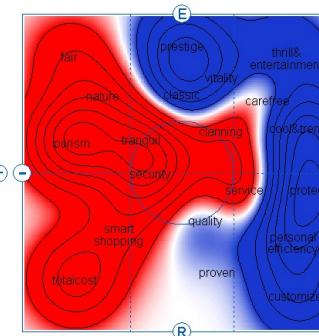


**Telenor MAP clearly shows that
the mobile broadband users have
the similar value and need structure
Across markets**

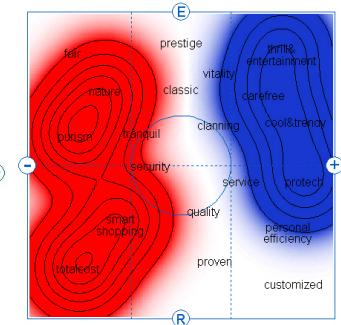
Hungary



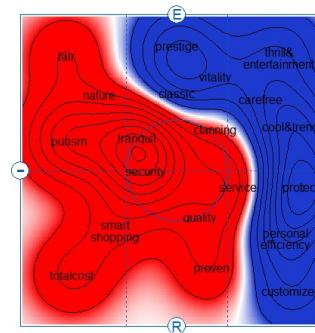
Sweden



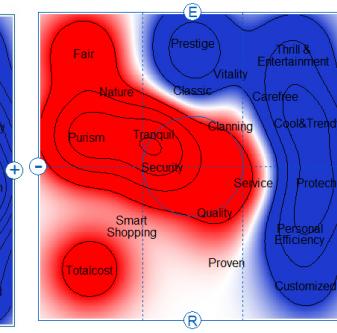
Thailand



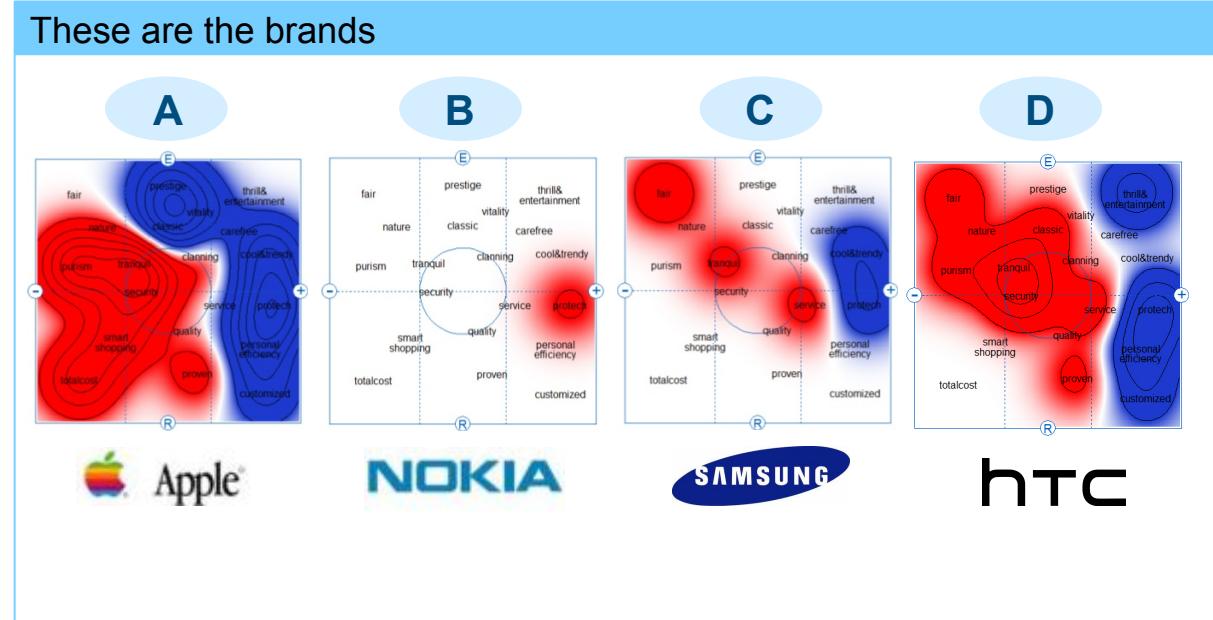
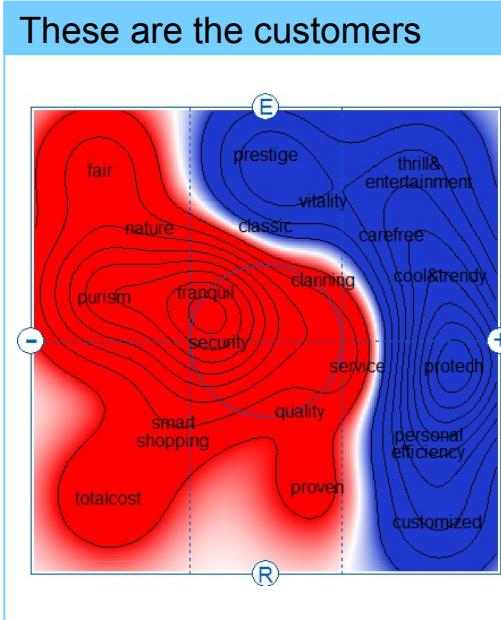
Denmark



Norway



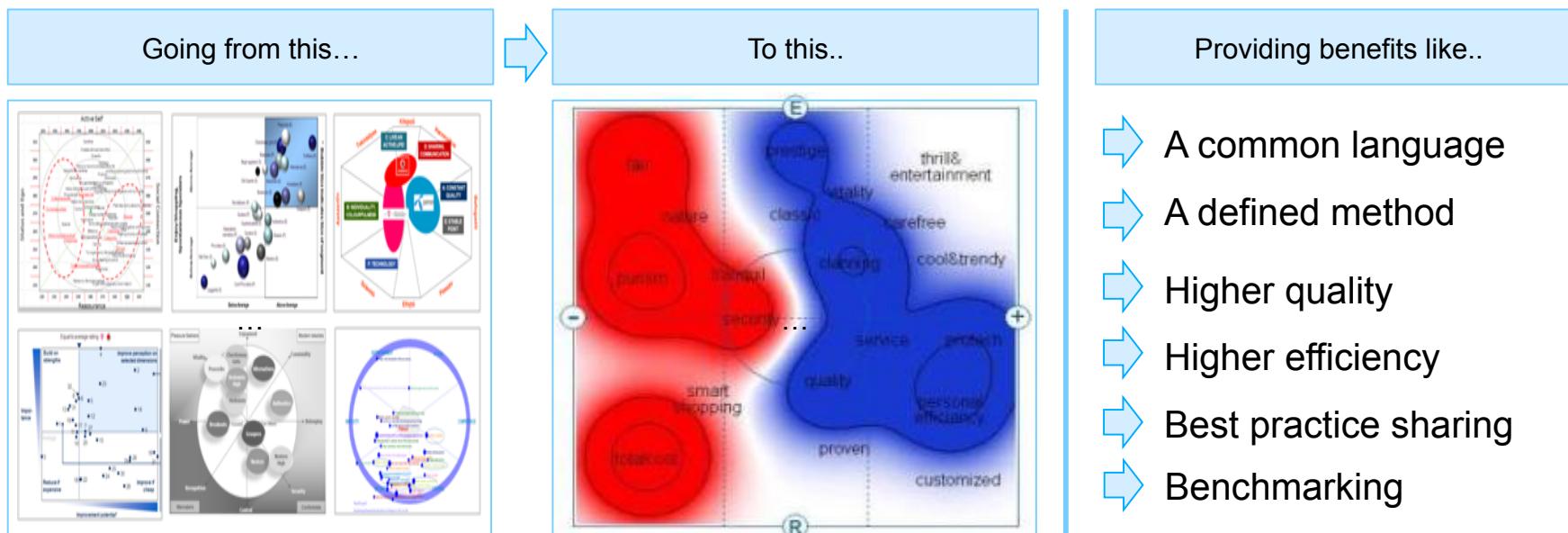
Let us “target” the mobile broadband users as **handset providers..**



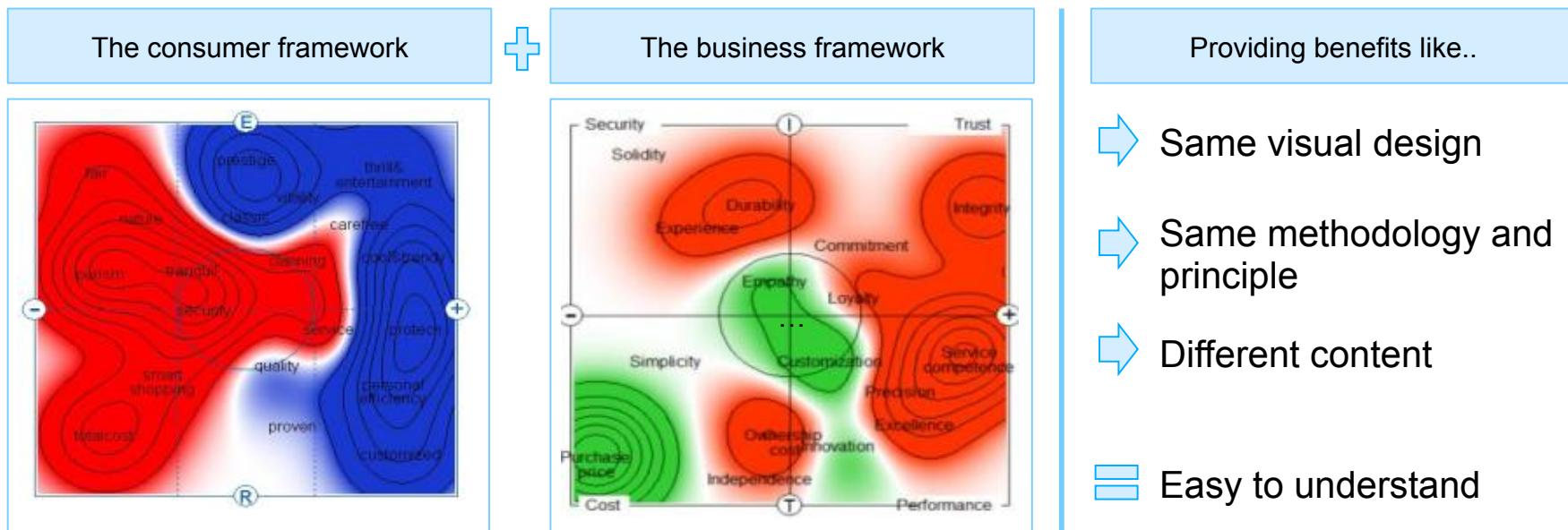
Telenor MAP – Experiences so far

Experience 1:

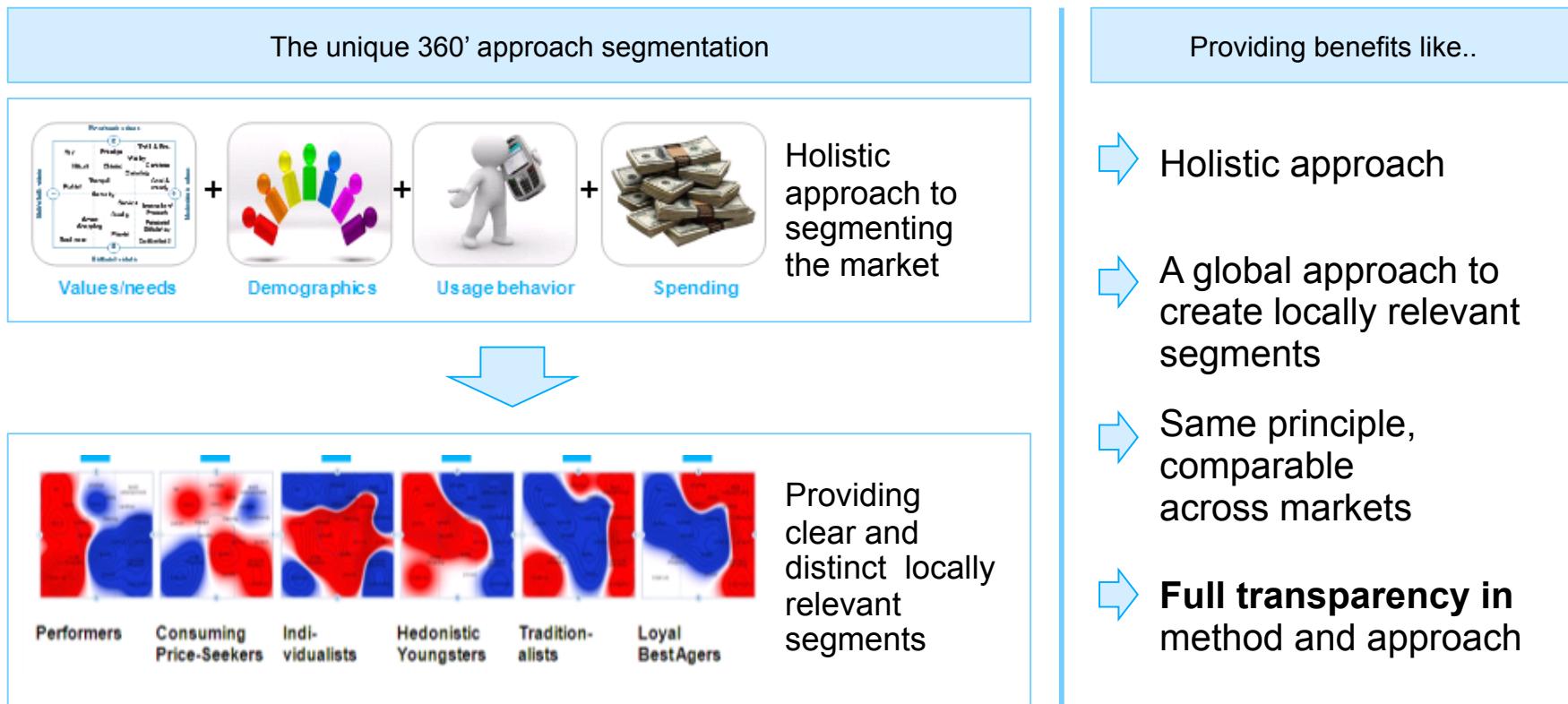
A clear benefit to have one common approach across markets



Experience 2: The same principle/model across segments

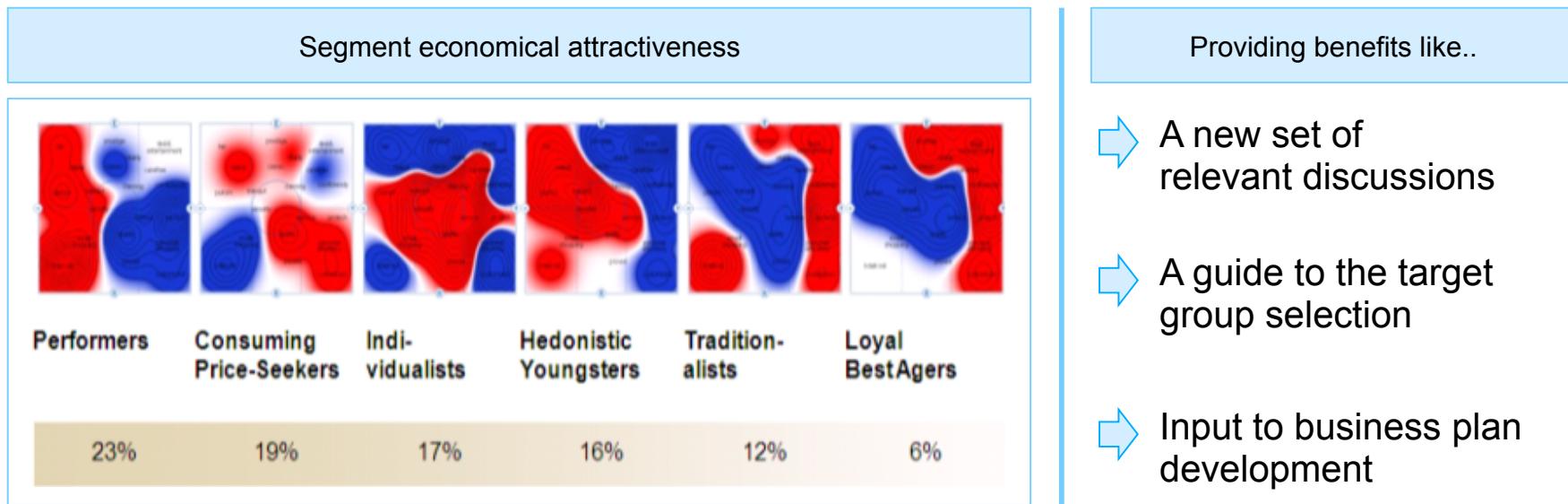


Experience 3: One holistic approach to provide locally relevant segments



Experience 4:

Segment attractiveness simplify core target selection



Experience 5:

Telenor MAP is well suited to drive strategic discussions

Quote one CMO: "the most business near insight provided so far"



Market
insight



Band
insight



Segmentation



Segment
attractiveness



Opportunities
in market
and base



Input to
strategy

One of several building blocks..



Existing insight

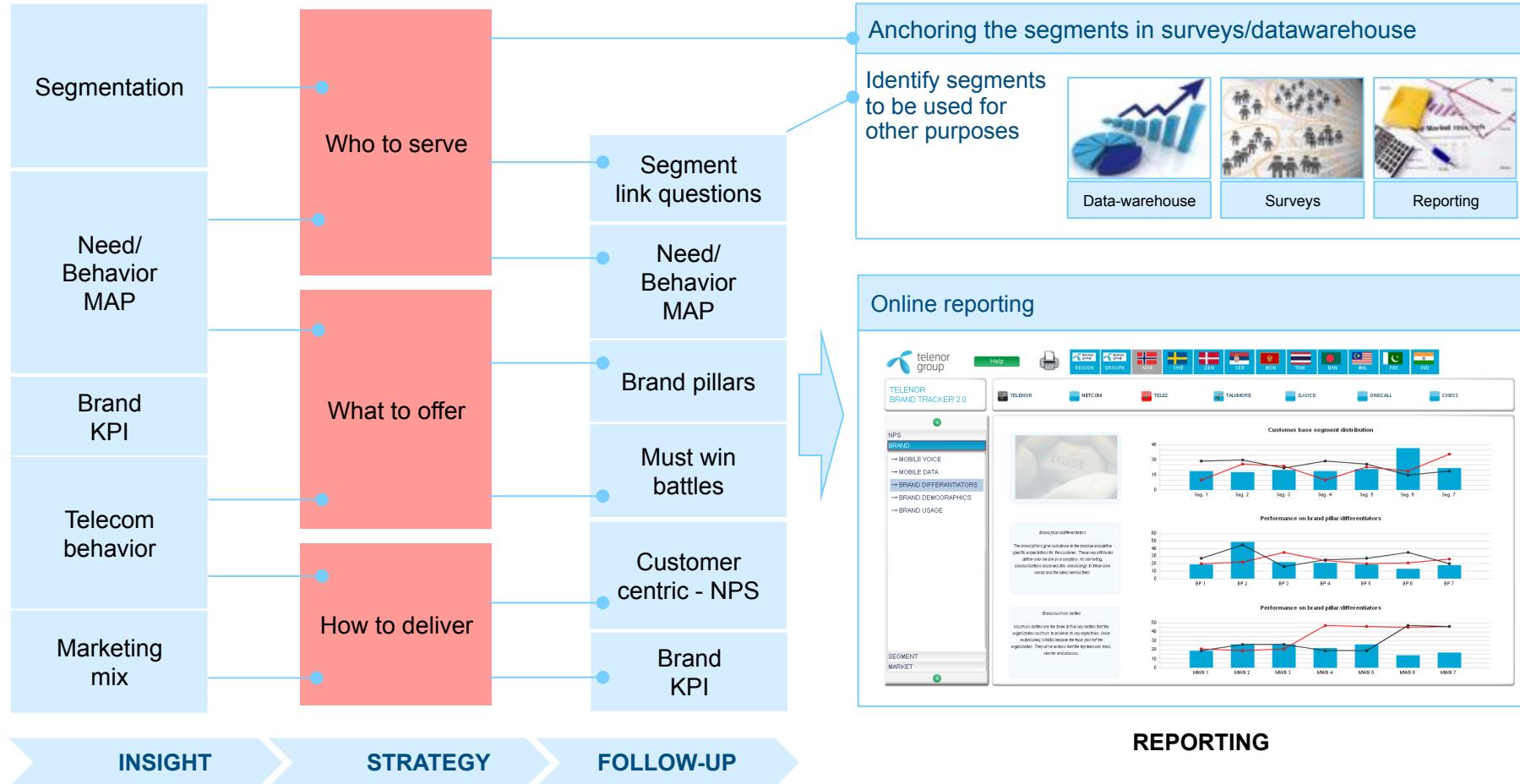


New
insight



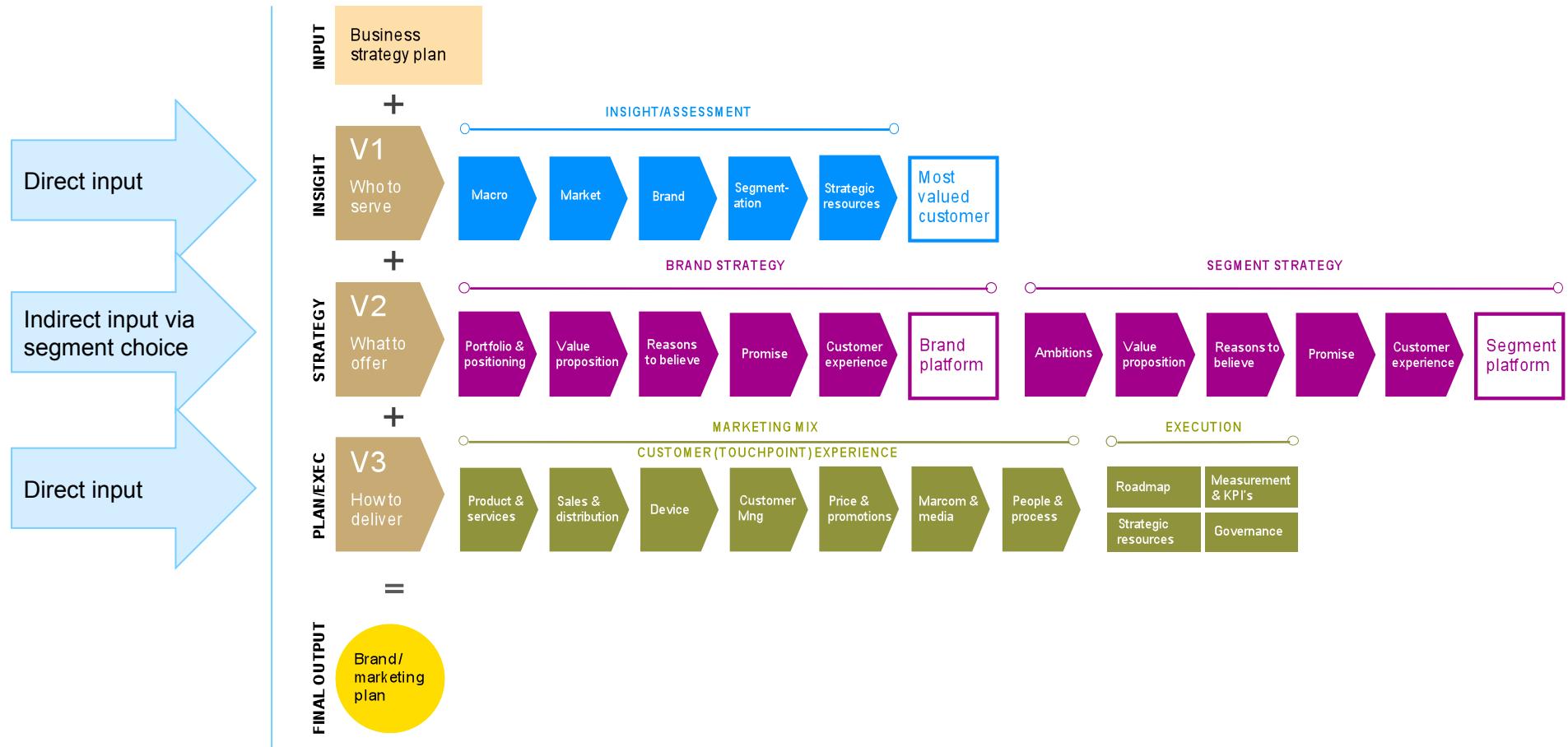
Refined
strategy

A holistic perspective and measurement system

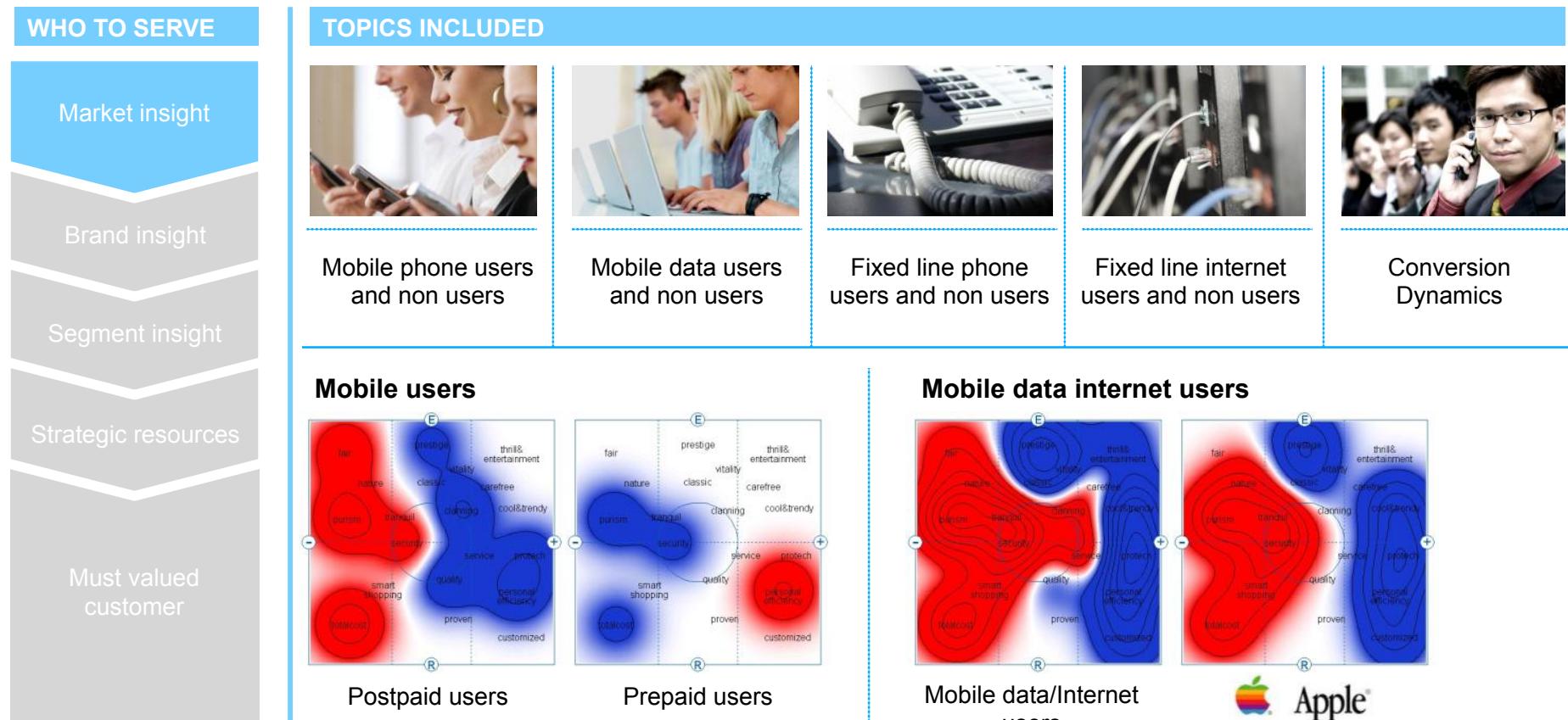


From **INSIGHT** to **STRATEGY**

SMART is the Telenor way of translating business strategy and customer insight into effective marketing actions.



The market insight



The Brand insight



WHO TO SERVE

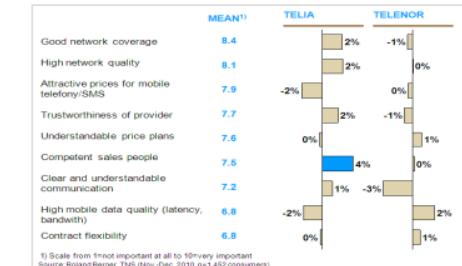
TOPICS INCLUDED

Provider brands of mobile services	Provider brands of fixed line services

Brand KPI's and key driver analysis

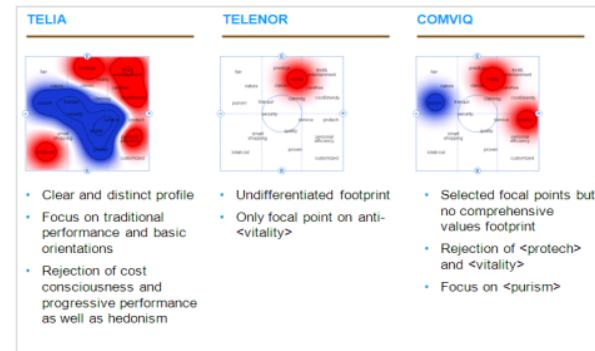
	TELIA	TELENOR	
Top of mind awareness [%]	37	11	10
Spontaneous awareness [%]	87	61	50
Brand sympathy [Index] <small>Scale 1=do not like it at all to 10=like it very much</small>	6.4	5.1	6.0
Brand preference KPI [%] <small>Users who would choose the brand when being free to choose any brand they like</small>	32	10	16
Duration with service provider [average/years]	5.6	4.0	5.3
Brand satisfaction [Index] <small>Scale 1=not satisfied at all to 10=very much satisfied</small>	7.9	6.8	8.1
Churn risk [average%] <small>Users, who plan to switch in next 6 months</small>	14	20	16

Brand KPI's

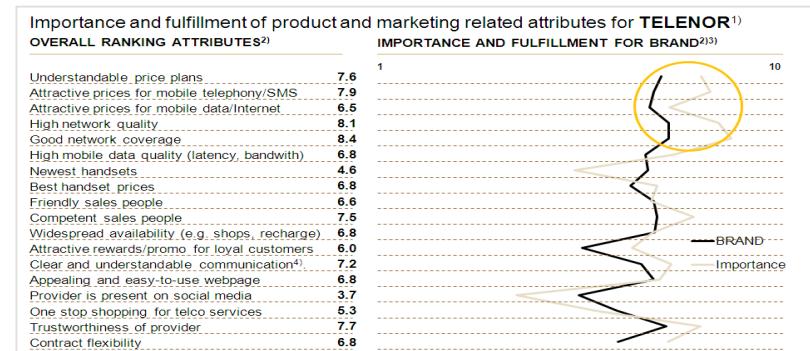


Key driver analysis

Brand positioning/footprint



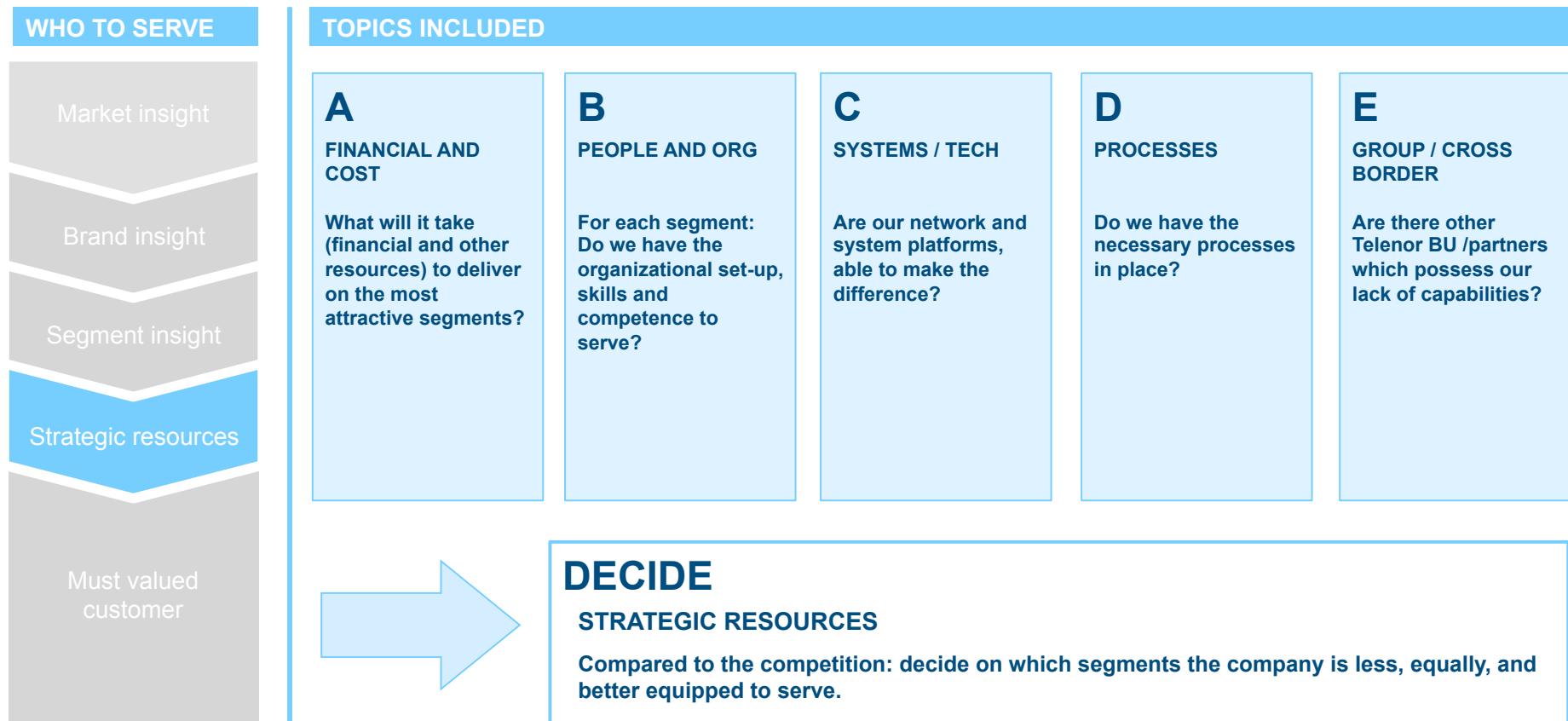
Brand importance and fulfillment



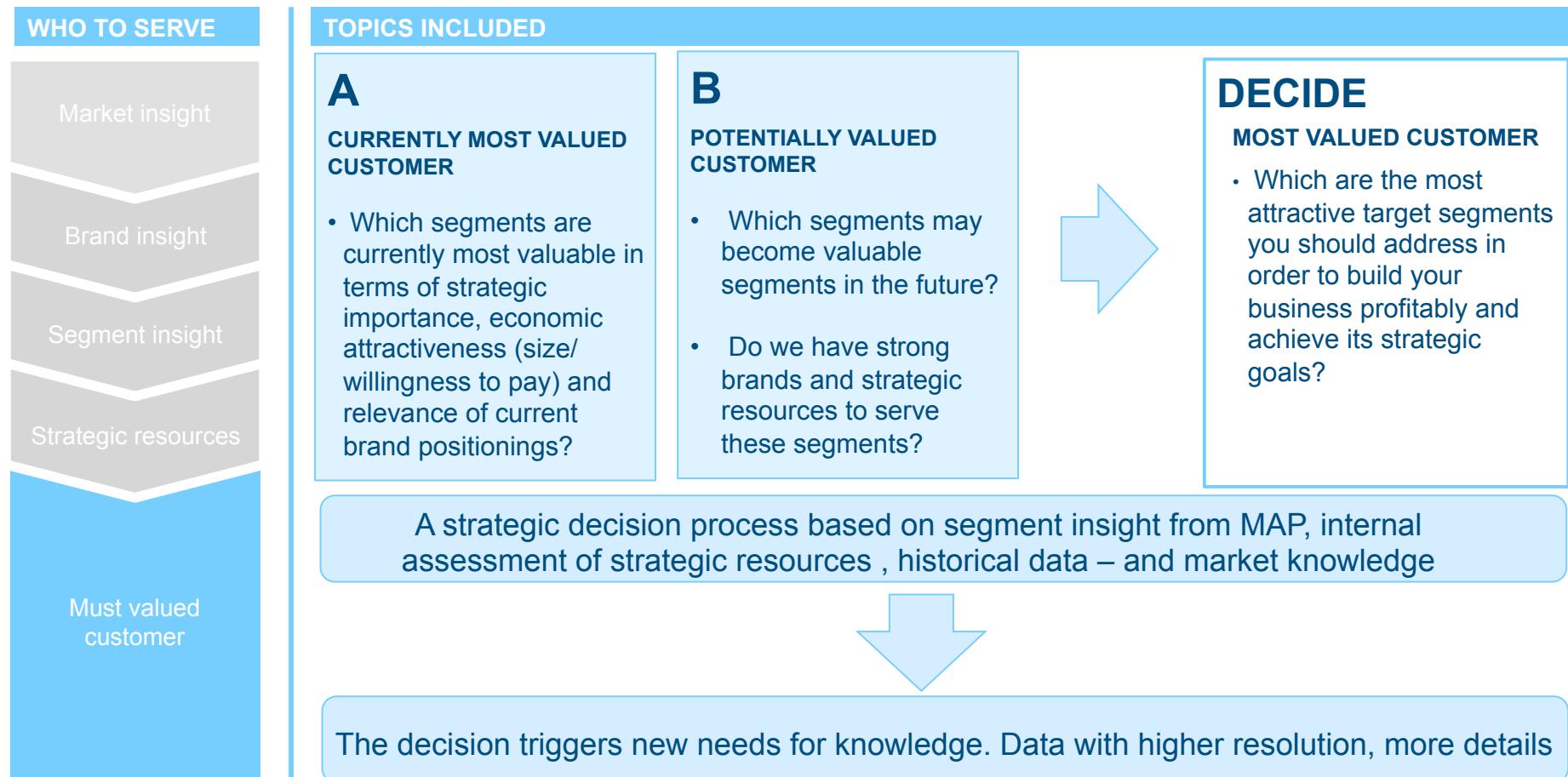
The Segmentation

WHO TO SERVE	TOPICS INCLUDED	Distribution in customer base
Market insight		
Brand insight		
Segment insight		
Strategic resources	Segmentation of market	Brand and market distribution
Must valued customer	Description of all segments	
	Economic relevance	Segment descriptions
	[Segment's share of volume approximation based on total stated spending]	
	<p>1 2 3 4 5 6 7 8</p> <p>Performers Consuming Price-Seekers Individualists Hedonistic Youngsters Traditionals Loyal BestAgers Basic Smart Shoppers Cost-focused Mid Agers</p> <p>23% 19% 17% 16% 12% 6% 4% 3%</p>	<p>CONSUMING PRICE-SEEKERS (CPS)</p> <p>VALUES DESCRIPTION</p> <ul style="list-style-type: none"> One dimensional and strong focus on moneyistic orientations Price and costs really matter to them. They constantly look for a bargain and are willing to sacrifice quality, service as well as emotional appeal if the price is right. They reject <Nature>, which means arguments such as eco-friendliness are not appealing to them The only emotional value, which is stressed is <carefree>. This means that they seek a certain enjoyment in life as well as from the brands/products they buy. However, brands/products are predominantly defined by their price tag not by functionalities. They do not value things, which are talk-made, different or pro-technologically advanced. Things need to be primarily cheap <p>SOCIO-DEMOGRAPHICS</p> <ul style="list-style-type: none"> One of the older segments with an average age of 46 years and are almost equally split between male/female They are full time employed with medium/high education level and a medium/high household income (average 32.000 SEK monthly) Comparably high postpaid share and also above average Small/Large Screen usage. In total second highest spend on mobile telco services with an average of 416 SEK monthly and third highest amount of minutes called per day (15 minutes) They actively participate in the virtual/online community using intensively social services e.g. messaging

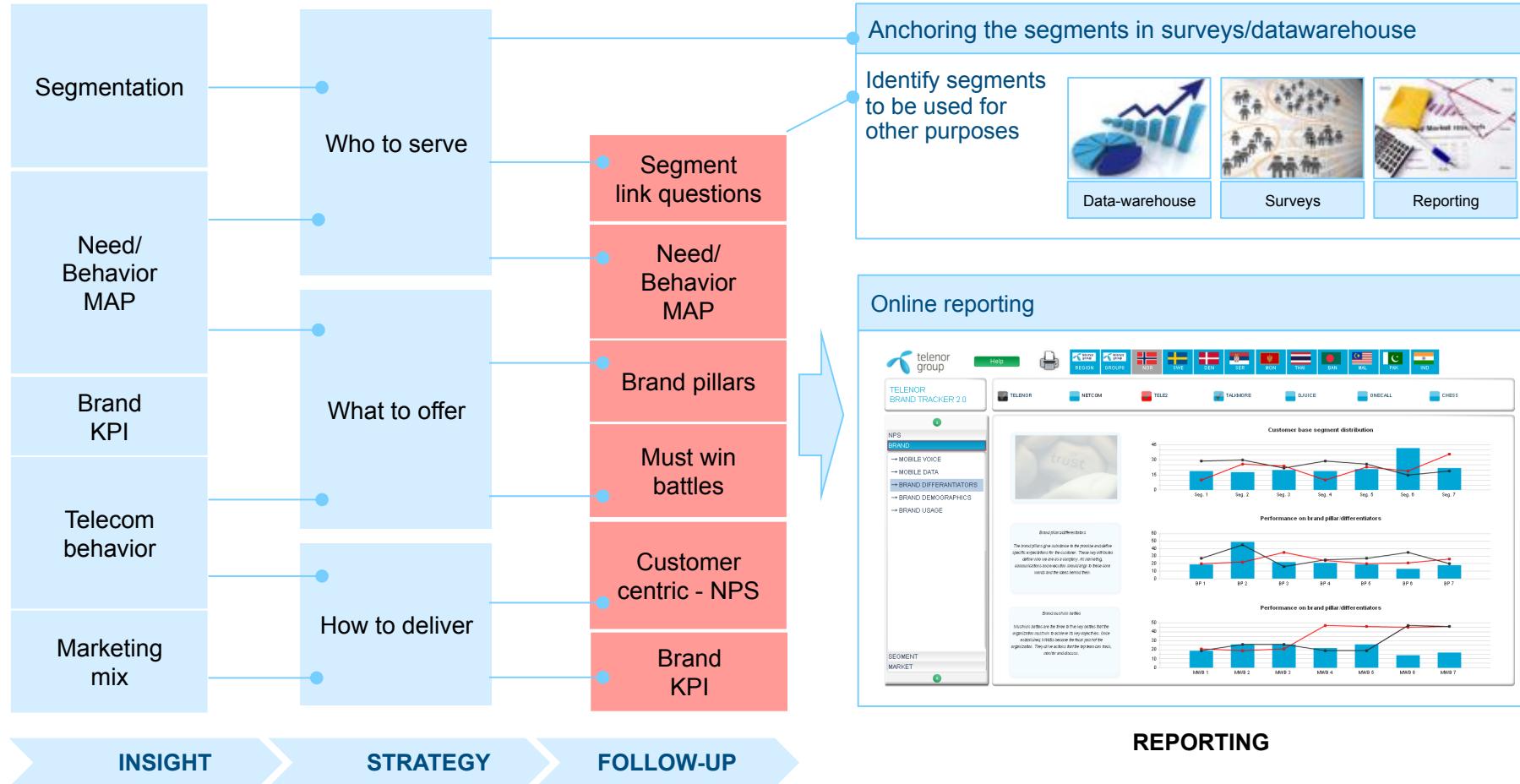
The strategic resources



Defining the most valued customers

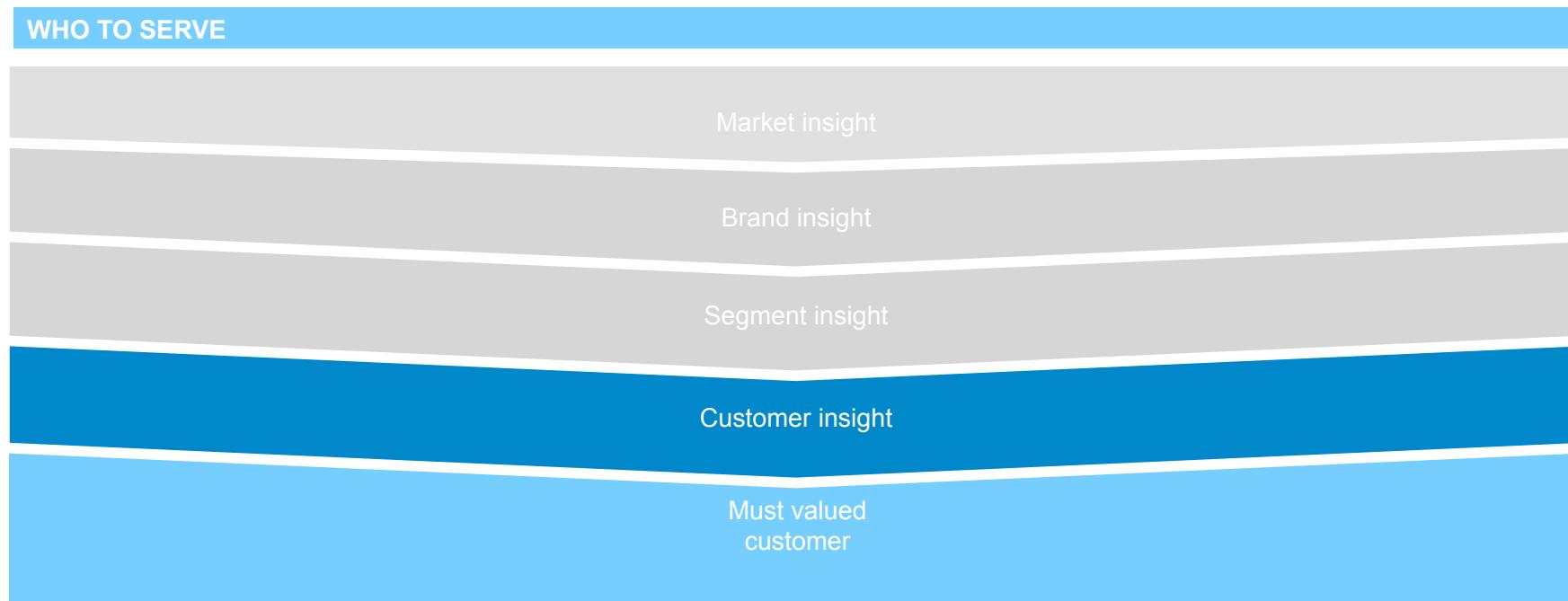


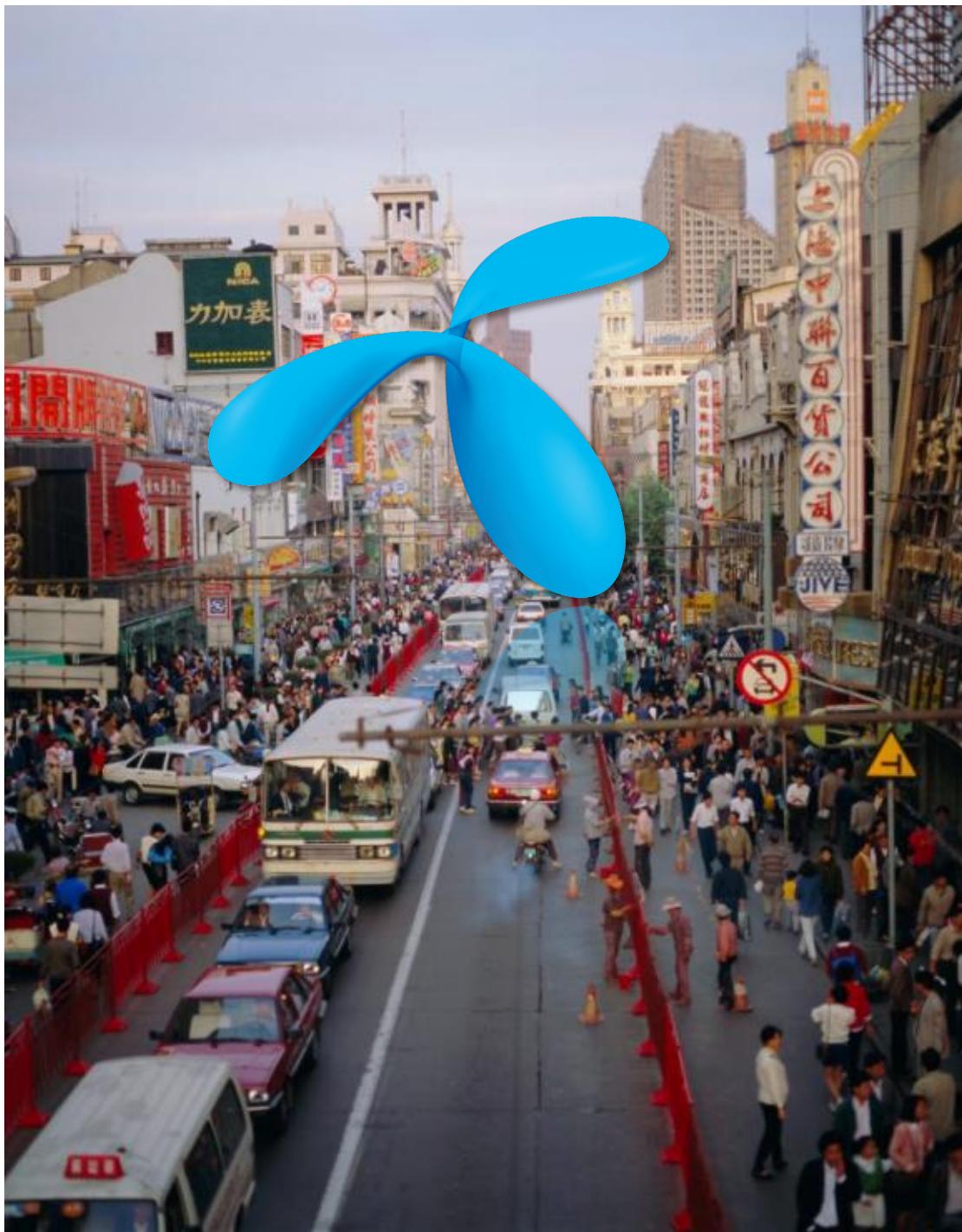
A holistic perspective and measurement system



Industrialized **INSIGHT** 2.0

Turning INSIGHT into actions





**Growth comes
from
understanding
the needs of
people to drive
relevant **change****



Takk!

