From the dawn of mobile phones, all the players in the sector, mainly the makers themselves, have gone out of their way to fit out the terminals with new capabilities and functions, to the point of neglecting the most basic function of the phones: voice communication.

On the one hand, mobile operators, who are deeply concerned with the fall in income from voice services as competition increases, have put every effort into promoting terminals that can transfer data (logos, tones, games, etc.)

On the other hand, the makers have been making mobile phones more and more sophisticated while progressively reducing their size and weight. Generally speaking, this miniaturization has led to a myriad of menus, options and a reduced number of small buttons.

A simple glance at a current catalogue of the main operators shows dozens of terminals with multimedia features: colour screens, games, radio, photo and video cameras as well as an MP3 player. The new generation of mobiles is the envy of young people and techies, but has little or no interest for a considerable number of users, who mostly use voice services.

Vodafone’s aim is to reach this speaking public. In fact, the marketing strategy of the group has, for some time now, been promoting communication and guaranteeing the experience for the user. For example, it allows users to return the terminal and repay the expenses incurred for calls should the user be dissatisfied and even provides substitution phones in case a handset is broken.

Now the European operator has taken another step forward and has bet on a line that is completely devoted to voice communication. In this way it answers the general complaints of many who are not at all interested in the latest technology and whose only desire is to communicate with their friends and family.

The two first Vodafone Simply terminals simplify the way information is given to the user, be it for strength of cover, the charge of the battery or the number of the mobile itself.

1 The Vodafone Simply handsets do not need any type of navigation through menus, as they have three buttons to access the main functions (main screen, contacts and messages) and one button on each side of the terminal that lets the user control the volume and block the keys. The voice messenger service is similar to the domestic answering machine: when the user receives a message the Messages button lights up. By pressing any button, the telephone connects directly to the voice message service.

2 With this line of products Vodafone focuses on users between 40 and 50, especially women, who use the mobile phone for family reasons and are intimidated by the growing sophistication of mobile phones. A Millward Brown study, ordered by Vodafone, calculates that there are nine million people in Spain (parents of families, housewives and retired people) that fit these characteristics. Of those, about 70% would prefer simpler mobiles with just basic functions.

3 According to that study, 60% of the potential public of Vodafone Simply only use the mobile phone to speak to other members of the family and friends, while 45% also send SMS messages. On the other side of the scale are the young people between 15 and 19, of which 23% mostly use other mobile services such as the camera or games. This percentage falls to 3% in the case of parents, housewives and retired people.

4 The mobile operator calculates that the new line will not lead to a fall in the Average Revenue Per User (ARPU). Although Vodafone Simply eliminates such services as multimedia messages, games, melodies and Internet access, the company expects an increase in calls and messages. At present, 15% of Vodafone’s revenues come from data business.
However, they have still to adapt the size of the buttons to the needs of the more elderly customers.

Will this strategy take off? That all depends on how Vodafone solves two other unknowns belonging to the behaviour of the customer segment: who motivates the change of phone for someone who only wants to talk and given the high penetration of the mobile phone (in Spain it goes as high as 90%), is there any chance of turning the other 10% into mobile users.

In most families the ones who know most are the youngest. They get their parents to change their mobiles for the latest ones and pass the old ones on to their children. It seems highly unlikely that this type of customer would opt for the Vodafone Simply line when, for a similar price, they can have terminals with cameras and games.

With respect to those people who still do not have a mobile phone, the simplification may be thought of as an incentive or attraction. However, more than likely this type of potential customer will get a terminal as a present from a member of the family or a loved one on special dates (father’s day and mother’s day are typical as well as for Christmas).

The date chosen by Vodafone to launch the campaign may not be the most suitable for them as it lets the other operators react in time for the Christmas campaign depending on the response of the users.

However, those who have the last word are the consumers themselves. Vodafone Simply could turn into a successful product if it manages to combine the needed functionality with a good quality service for new users or other customers tired of taking low quality photos but unable to actually use the mobile phone when they need it.