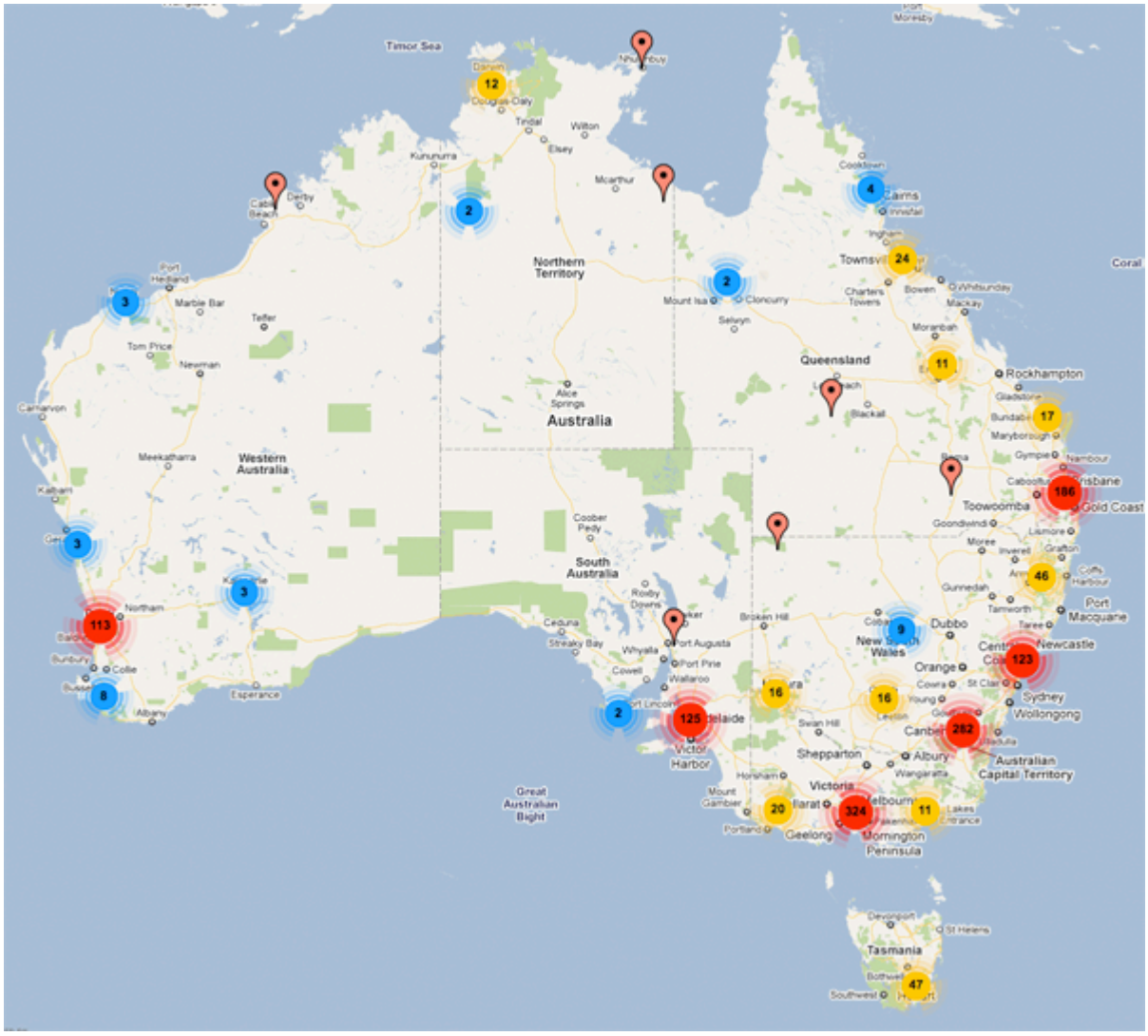
Vodafone's situation: yesterday, today and tomorrow



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Background

This report is an effort to analyse the large amount of data collected by Vodafail.com regarding the major issues affecting customers of Vodafone Hutchison Australia (VHA) from October 2010 to January 2011. The report aims to provide an insight into scale and complexity of those issues, the causes and the potential resolutions that may be acceptable to the affected customers. Due to the nature of these problems and the lack of concrete information regarding all areas of Vodafone's business, this report is written from the perspective of the public and of consumers.

This report will be released to the public and submitted to the Australian Competition and Consumer Commission (ACCC) and the Australian Communication & Media Authority (ACMA). The report may be used to assist other regulatory and policy agencies in the telecommunications sector.

About Vodafone

Vodafone provides the following company overview on their website.[1]

"Vodafone Group Plc is the world's leading mobile telecommunications company, with a significant presence in Europe, the Middle East, Africa, Asia Pacific and the United States through the Company's subsidiary undertakings, joint ventures, associated undertakings and investments."

"In Australia, Vodafone is operated by Vodafone Hutchison Australia (VHA), a 50:50 joint venture between Vodafone Group Plc and Hutchison 3G Australia."

"In June 2009, 3 and Vodafone Australia merged businesses through a 50:50 joint venture between Vodafone Group and Hutchison 3G Australia, operating under Vodafone Hutchison Australia (VHA).VHA is now owned 50% by Hutchison Whampoa Group, and 50% by Vodafone Group Plc. As at 30 September 2009, there are 6.3 million VHA customers in Australia. Vodafone was awarded the third Australian mobile telecommunications carrier licence in December 1992."

"It now provides 3G coverage to 94 per cent of Australians, giving consumers and business affordable access to innovative 3G services, such as internet and email on their mobile phone, or laptop via Vodafone Mobile Broadband, on-the-move."

[1]Vodafone Company Overview. Vodafone Hutchison Australia. 12 Jan. 2011 <http://vodafone.com.au/personal/aboutvodafone/companyinfo/companyoverview/index.htm>.

About Vodafail.com

Vodafail.com is a website started by Adam Brimo in response to his frustrating experiences with Vodafone's customer service shortly after signing a 24-month contract. The website was launched on December 12 2010 and enabled Vodafone customers to share their experiences and issues in an open and anonymous forum. After first being promoted on Facebook, Twitter and Whirlpool; the website was covered by the Sydney Morning Herald (SMH)[2] on December 17 2010. Shortly thereafter on December 27 2010, the SMH[3] ran a follow-up story on Vodafail.com and the possible class action being investigated by Sydney law firm PiperAlderman. Vodafail.com became one centralised place for customers' to express their anger at Vodafone as a result of national media coverage of the issues. This is turn led to a meeting between and arranged by VHA Chief Executive Officer Nigel Dews and Adam Brimo on December 29 2010.

From its simple beginnings the Vodafail website has grown significantly over the past month and provides a number of features including collaborative coverage mapping (most recently, the ability to check the Vodafone coverage for a particular post code), on-hold/wait time data, the ability to rate and reply to posts along with information on how to lodge complaints against Vodafone. Vodafail.com has had over 150,000 individual visits and 450,000 page views in little more than three weeks, due largely to media reports and social networking sites. The Vodafail team is currently comprised of four regular contributors along with additional media and legal consultants when required. All members of the team are volunteers and financial backing is provided by Adam Brimo. The website initially utilised online advertising to cover the rising costs of website hosting however once those costs were covered, the advertising was removed. Vodafail.com is not affiliated with any telecommunications companies, receives no incentives from other mobile carriers and rejects all offers for affiliate marketing.

Service issues

Vodafone customers have reported numerous problems with the services they have been provided. Vodafail has recorded complaints from some customers who say they have been experiencing problems with the network for up to 12 months, however the majority of complaints against Vodafone have occurred from October 2010 through January 2011. From an analysis of the stories posted on Vodafail.com, the following issues have been identified and will be discussed in further detail in this report. The numbers in parentheses relate to the number of complaints logged on Vodafail.

1. Customers charged incorrect amounts on their bills (50)

[2]Moses, Asher. Furious Vodafone customers spark ACCC probe. 17 Dec. 2010. Sydney Morning Herald. 10 Jan. 2011 <http://www.smh.com.au/technology/technology-news/furious-vodafone-customers-spark-accc-probe-20101217-190gl.html>.

[3]Moses, Asher. Vodafone customers to sue in class action. 27 Dec. 2010. Sydney Morning Herald. 11 Jan. 2011 <http://www.smh.com.au/technology/technology-news/vodafone-customers-to-sue-in-class-action-20101227-1982f.html>.

2. Voicemail and SMS messages were received hours or days late (146)
3. Incorrect advice provided by Vodafone customer service and/or sales staff (313)
4. Calls dropped out or could not be connected at all (359)
5. Does not like the 'Lara' voice system (446)
6. General problems with billing and accounts (958)
7. Waited on hold an unacceptably long amount of time (1156)
8. Customer service were not able to resolve customer complaints (1575)
9. Did not have phone or data reception in an expected coverage area (6242)

Vodafone's current situation appears to be the result of underlying network issues, poor customer service exacerbated by the difficulty customers have both getting in contact with Vodafone and the lack of accurate information being made available by Vodafone. These problems fall into three broad categories essentially encompassing all areas of Vodafone's business yet their overall impact on the customer's experience is cumulative.

Accounts/Billing

Vodafail received a number of reports from customers who have been billed incorrect amounts, charged for erroneous usage and incorrectly charged account termination fees. These issues were compounded by the unreliability of Vodafone's online account and billing system (myVodafone), which has had intermittent outages in December 2010 and January 2011. In some cases the incorrect amounts being charged are the result of excess data usage that the customers believe they could not have incurred.

Some customers have reported that network problems caused their SMSs to be sent multiple times and that they were charged for each of those messages. These reports also note that upon contacting customer service and going through their bills, some of the charges have been reversed and Vodafone has confirmed they were overcharged. Incorrect advice by the call centre has also resulted in unexpected amounts being charged to customers.

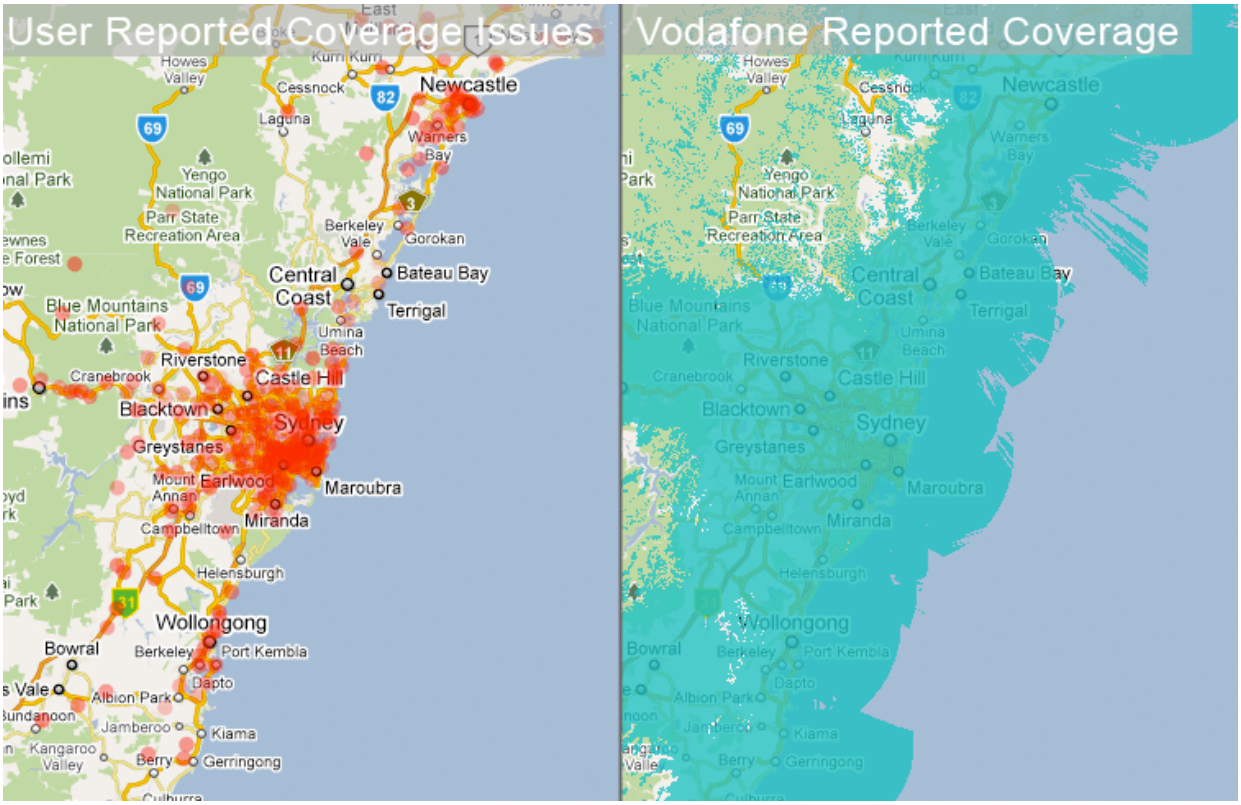
Customers experiencing dropped calls found themselves being charged the flag fall and minimum call charges for each time they retried their call. This extra cost has resulted in higher bills for a number of customers who have reported their experiences on Vodafail. A customer reported that the mobile broadband software provided by Vodafone recorded different data usage than Vodafone's own bandwidth monitoring system. Vodafone's monitoring of a user bandwidth resulted in 25-30% higher usage than was reported by the supplied Huawei software, resulting in higher bills for customers closer to their limit. These wide-ranging billing issues require a general investigation into the billing of services provided by Vodafone to ensure that customers are being billed fairly and appropriately and that all new contracts are clearly articulated to customers.

A few customers have alleged that Vodafone staff suggested they move to a more expensive "capped" plan but were not informed that they would be signed on to new 24-month contracts. Other customers reportedly signed up to a deal that offered three months free service, which many customers believed to be the first three months, however later discovered the free months were counted in months four, five and six of the contract.

Reception/Coverage

Vodafone customers have reported a plethora of issues relating to all aspects of their mobile phone service. However the reception issues are worse for those who rely on the Vodafone 3G network, as evidenced by recommendations from Vodafone staff members to turn off 3G for fewer dropped calls and better reception. More than half the comments received by Vodafail relate to reception and network problems. The Vodafail coverage-mapping facility, whereby individuals provide details about coverage in their area that is then aggregated into a coverage map, has received over 16,000 contributions.

Vodafone measures dropped calls by analysing the number of times a customer calls the same phone number in quick succession. If two calls to the same number occur immediately after one another then the successive redialing would classify as a dropped call. This process of measuring dropped calls was articulated to Adam Brimo in a telephone conversation with a member of the Resolutions Team on December 21 2010. However despite recent customer complaints, Vodafone alleges its official dropped call percentage has remained steady at 0.7% over the past six months[4]. Regardless, the number of customer complaints has been significant and customers have reported on their level of reception on Vodafail. The maps below detail the wide discrepancy between the network coverage Vodafone claims to have (right) and the coverage reported by Vodafone customers in the Sydney region (left). The image on the right has the areas Vodafone claims to have network coverage for marked in blue, the image on the left has areas marked in red where the average reception of respondents is less than 40% (or 'two bars' on their handset).



[4]The dropped call percentage has been provided by an anonymous Vodafone employee and therefore cannot be verified.

Some customers have reported experiencing periods of no reception on their mobiles for hours at a time and the inability to make calls even while their phone appears to have reception as indicated by their handset display. These complaints also detail how customers repeatedly try to make calls only to have them disconnect or drop out after a few minutes. The customers experiencing these problems are sometimes quite distressed as they are unable to contact their families in the event of an emergency or accident. Other customers have determined the financial impact of delayed voicemail and the inability to make calls to be detrimental to their business. A summary of the coverage data collected by Vodafail is available in the appendix under 'User Reported Reception'.

Customer service

Customers in numerous complaints have derided the Vodafone customer service available via calling 1555 (using mobile) or 1300 650 410 (using landline). These complaints identify wait times in excess of two hours when contacting the customer care line for phone support. Other complainants detail the inability of staff at Vodafone retail outlets to provide any after-sales support for network issues. In the past, Vodafone's staff have denied the existence of any network issues and there was an overwhelming tendency for technical support staff to classify those network problems as handset issues.

Some of the grievances posted on Vodafail have received replies from Vodafone employees, particularly retail staff members. Although these posts have been made anonymously Vodafail has tracked the IP addresses to Vodafone retail stores and received written confirmation that the replies originated from at least one store. The replies follow consistent themes and appear to reiterate the following common messages.

1. The network issues are actually issues with individuals' handsets
2. 'You get what you pay for' - stating that a lower quality of service is expected due to the lower fees charged by Vodafone
3. Only a small percentage of users are affected so customers have no right to complain

These replies and comments are typical of the responses many customers have received from Vodafone and therefore represent Vodafone's persistent underlying refusal to take customers' complaints seriously.

Vodafone's denial of network issues and the lack of disclosure regarding their network upgrade plans may have resulted in mixed messages to their customer service staff. The Customer Care staff may have been unaware of the network issues affecting Vodafone customers, and their job was made more difficult by their overseas location. Therefore, instead of attributing customer complaints to network issues, the Customer Care staff across the board blamed the smartphones themselves, particularly the iPhone.

The disconnect between Customer Support staff and customers, the difficulty in reaching Customer Support and the frequent misdiagnosis of issues led to an overwhelmingly poor experience for customers. Many of the complaints received by Vodafail depict a customer service department that was ill-equipped to deal with the large amount of inquiries and ill-

advised on the real problems with the Vodafone network. This lack of information led to perennial and unhelpful suggestions that users restart their phones, replace the SIM card or live with the issue in hopes that it would be fixed in the coming weeks (despite little knowledge of the actual network plans).

Customer anger at the long wait times was also directed at the automated voice recognition system that uses a voice called 'Lara'. As many customers would terminate their call to customer service before it was answered, Lara was the only voice / person with whom they could "interact". Some customers reported difficulty in speaking with the automated voice recognition system and Vodafone later reintroduced the choice to use the number pad to select which service is required. The customer service centre itself is outsourced and located overseas. There have been reports that customer service operatives providing support had difficulty understanding some of the customers due to different accents of both parties. This difficulty is exacerbated for people of a non-English speaking background.

Possible causes

The structure and lack of transparency on Vodafone's behalf make it difficult to analyse the current situation and determine its real causes. The potential causes identified in this section are based on first-hand research and information provided by former and current Vodafone employees along with publicly available information on the company.

Merger with Hutchinson/Three

On February 9 2009 Vodafone and Hutchison Telecommunications (Australia) Limited announced that they would merge and become Vodafone Hutchinson Australia (VHA). With this announcement the CEO of the merged entity, Nigel Dews, declared that the company would achieve $2 billion in synergies and become the number two mobile operator (by subscribers) in Australia in two years[5]. However VHA, both by the composition of the senior executive team and its business strategy appears to more closely resemble that of Hutchison/Three than it does Vodafone.

Multiple anonymous former employees, speaking in confidence to Vodafail are of the opinion that the business culture and strategies adopted by VHA appears to have largely come from Three. Retail staff allege they were impacted by the merger as some staff were forced onto casual contracts with lower wages than their previous permanent award agreements. The ability of staff to earn a commission on sales was apparently hindered by additional key performance indicators (KPIs) and individual sales targets were removed in favour of store-based targets. The combination of reduced wages and lower commissions appears to have impacted the morale in Vodafone stores and caused many staff to leave. This reduction in

[5]Bingemann, Mitchell. & Lee, Tracy. Phoney forecasts: Vodafone fights to stay in the mobile race as Telstra, Optus tear away. 1 Dec. 2010. The Australian. 15 Jan. 2011 <http://www.theaustralian.com.au/business/industry-sectors/phoney-forecasts-vodafone-fights-to-stay-in-the-mobile-race-as-telstra-optus-tear-away/story-e6frg9hx-1225963523816>.

costs may have been a desirable result for VHA as a significant portion of the synergies in the merger would be a result of fewer retail stores and fewer staff.

The merger of the Three and Vodafone networks is currently underway and Vodafail has been informed it is due for completion in the third quarter of 2011. In areas where the merger of the networks has been completed, both Three and Vodafone customers will be utilising the same network, however intermittent but serious software issues have affected this process.[6]

Communication issues

Vodafone has not communicated directly with its customers regarding the network issues it has experienced over the past few months. Vodafone has been affected by what it describes as intermittent issues and software problems that have caused outages across Australia. However the company only acknowledged these issues once a significant number of customers complained about their service[7] and following widespread media coverage, where customers began to realise they weren't alone in experiencing these problems. The issues first began appearing on a somewhat regular basis in October 2010 and continue to this day.

Communication between Vodafone management with its retail staff members, customer service and Vodafone dealers regarding the existence of network problems has been seriously inadequate and has greatly contributed to the current problems Vodafone is experiencing. Vodafail has learned that important information regarding the issues affecting customers was withheld from frontline customer service staff, preventing them from providing the correct service advice to customers. A Vodafone dealer contacted Vodafail stating that the existence of network issues was at first denied and then claimed to be fixed within 24 hours by a Vodafone dealer representative. This denial created a difficult situation for retail staff that had to sell Vodafone services and then explain to customers why they were having network problems.

A current Vodafone staff member, speaking in confidence, confirmed that the call centre was moved off shore in recent years to reduce costs. However the employee also expressed sympathy for call centre staff who they believed were not properly trained on Vodafone's systems and are not aware of the problems affecting customers. The conflicting advice received by customers and provided to customer facing staff appears to result from a lack of internal communication between key areas of Vodafone's business.

[6]Crozier, Ry. Vodafone blames 3G data issues on soft upgrade. 17 Nov. 2010. ITNews. 14 Jan. 2011 <http://www.itnews.com.au/News/238932,vodafone-blames-3g-data-issues-on-soft-upgrade.aspx>.

[7]Winterford, Brett. WA outage the latest in Vodafone\'s horror run. 13 Dec. 2010. ITNews. 14 Jan. 2011 <http://www.itnews.com.au/News/241577,wa-outage-the-latest-in-vodafones-horror-run.aspx>.

Customer acquisition and infrastructure

The Vodafone and Hutchison networks have historically relied on network sharing agreements with Optus and Telstra respectively for their 3G and 2G services. Vodafone and Optus jointly built their 3G network from 2004. Hutchison has two separate agreements with Telstra, one to enable Three customers to roam onto Telstra's 3G network and the other to provide roaming capabilities to the 2G network. In May 2010 VHA awarded a seven-year agreement to Nokia Siemens Networks to manage the consolidation of their disparate networks and increase capacity.[8] In July 2010 VHA contracted Ericsson to upgrade the backbone of its network, acknowledging what was at the time poor mobile performance compared to the industry.[9]

With the slow retirement of the 3 brand, VHA has encouraged Hutchison/3 customers to migrate to the Vodafone network at the expiry of their contracts. With Hutchison's roaming agreement with Telstra due to expire in 2012 and the cost savings gained from the retirement of the three brand, VHA has focused on moving customers off the 3 network. Meanwhile Vodafone is still heavily relying on its joint 3G network built with Optus for a substantial portion of its 3G network. In 2007 Optus began building a newer 3G network to provide higher speeds and greater coverage.[10] VHA formally announced plans in October 2010 to build more than 1400 new network sites across Australia in an effort to increase capacity and coverage.

Since the merger, VHA has acquired over 1.1 million new customers, increasing its customer base to over 7.43 million.[11] Some 2.3 million customers use the company's 3G services with either a handset or mobile broadband device at the end of June 2010, up from 1.05 million in June 2009.[12] Due to the lack of public disclosure regarding the direction of Vodafone's annual capital expenditure, it is not possible to know if the investment is closely aligned with customer growth. Greater public disclosure around the capacity of individual towers is required to make a more informed judgment on the role customer growth has had on the poor performance of the network.

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[8]Vodafone Hutchison Australia appoints Nokia Siemens Networks in Major Network Boost. 6 May 2010. Nokia Siemens Networks. 14 Jan. 2011 <http://www.nokiasiemensnetworks.com/news-events/press-room/press-releases/vodafone-hutchison-australia-appoints-nokia-siemens-networks-i>.

[9]Olsen, David. Ericsson wins contract to upgrade VHA's network. 20 Jul. 2010. Dynamic Business. 14 Jan. 2011 <http://dynamicbusiness.com.au/articles/articles-news/ericcson-vodafone-hutchinson-network-1824.html>.

[10]Favero, Melissa. Optus announces bold expansion of its 3G mobile network across national footprint. 30 Jan. 2007. Optus. 14 Jan. 2011 <http://optus.com.au/aboutoptus/About+Optus/Media+Centre/Media+Releases/2007/Optus+announces+bold+expansion+of+its +3G+mobile+network+across+national+footprint>.

[11]Budde, Paul. Australia - Telco Company Profiles - Vodafone Hutchison Australia Pty Ltd. Bucketty NSW: Paul Budde Communication Ptd Ltd, 2010.

[12]Hutchison Telecommunications (Australia) Limited. Annual Report: Half Year Results. Sydney: Australian Securities Exchange, 2010

Marketing and growth

In July 2009 VHA CEO Nigel Dews declared that the company would be the number two mobile communications provider in Australia in two years.[13] This declaration appears to have been the catalyst for the drive to acquire new customers through ultra-competitive pricing. In November 2010 Vodafone announced their "Infinite" plans that provided unlimited national calls, txt messages and higher data allowances.[14] The growth in customers and 3G services for the period through December is not available however Vodafone has increased their marketing efforts with visible advertising everywhere from sponsorship of the Ashes test series, TV and radio commercials, to out-of-home advertising at bus stops and major supermarkets.

The ubiquity of Vodafone's aggressive marketing strategy has only heightened some customers' anger at the current situation. Some customers are upset to see Vodafone advertise a service that they believe cannot be provided. The constant advertising is also a reminder to Vodafone's existing customers of the service that they themselves aren't receiving, yet paying for.

Resolutions

Most of the problems afflicting Vodafone do not have an immediate solution or resolution however there is no doubt that a number of the problems Vodafone is experiencing could have been alleviated through better communication with its customers.

The possible resolutions outlined in this section are recommendations on how to better handle similar situations drawn upon the experiences of companies who have faced similar problems. Skype's recent handling of its December 2010 service outage is a good example of how a crisis can be effectively managed, as is the National Australia Bank (NAB's) handling of its recent outage, whereby it set up a compensation fund for affected customers and paid for full page ads in national newspapers apologising to its customers.[15]

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[13]Bingemann, Mitchell. & Lee, Tracy. Phoney forecasts: Vodafone fights to stay in the mobile race as Telstra, Optus tear away. 1 Dec. 2010. The Australian. 15 Jan. 2011 <http://www.theaustralian.com.au/business/industry-sectors/phoney-forecasts-vodafone-fights-to-stay-in-the-mobile-race-as-telstra-optus-tear-away/story-e6frg9hx-1225963523816>.

[14]No Author. Media Release: Vodafone Infinite Plans. 16 Nov. 2010. Vodafone Hutchison Australia. 14 Jan. 2011 <http://blog.vodafone.com.au/blog/news/media-release-vodafone-infinite-plans/>.

[15]Helbig, Koren. NAB offers compensation for pay crisis. 29 Nov. 2010. Perth Now: Sunday Times. 18 Jan. 2011 <http://www.perthnow.com.au/business/news/no-one-should-be-out-of-pocket-nab/story-e6frg2qu-1225962716300>.

Transparency and communication

Consumers understand that most products and services will not function perfectly all of the time, however regular outages or drastically deficient services require proper explanation and communication to customers in a timely and efficient manner. Managing this process effectively will require notifications to customers:

1. When there are planned outages before they actually occur
2. Once an unplanned outage is identified
3. As soon as any major updates are identified
4. When the service is scheduled to be restored
5. When the reasons behind the outage are known, an explanation should be provided of how and why the outage occurred and what is being done to prevent it in the future

These communications should be sent directly to all customers, whether they have been affected or not. Implementing these steps effectively requires proper monitoring systems to determine exactly when and where a fault in a service has occurred.

During Skype's four hour outage in late December 2010, the company immediately informed all users via their website, Twitter and Facebook sites. Throughout the entire period they communicated directly with customers and then contacted all of their customers, whether they were affected or not to apologise. Skype also provided compensation to all affected users in the form of additional credit on their account. Skype's CEO Tony Bates then recorded a short video explaining the reasons for the outage and what was being done to prevent similar situations in the future.[16]

Vodafone initially denied the existence of network issues. They eventually apologised via their blog after a significant number of complaints were received. This approach resulted in a great deal of uncertainty from customers over delayed voicemail, dropped calls and late SMS messages. Vodafone's network status page was also not updated with all of the specific issues customers were experiencing or in which geographical areas they were occurring. The company has since updated their network status page web page more frequently however the majority of Vodafone's 7.43 million customers would not know to check that page.

Cancellation of contracts

Vodafone's current stance is that the network and service problems are intermittent and only affecting customers on an individual basis. This stance requires individual customers to negotiate a resolution by contacting Vodafone on multiple occasions. A far more efficient resolution would be to inform all customers of the nature of the problems affecting some customers and provide a set of resolution options. These options might include reduced

[16]Lardinois, Frederic. Skype's Outage: A Lesson in How to Handle a Crisis in the Age of Social Media. 23 Dec. 2010. NewsGrange. 14 Jan. 2011 <http://newsgrange.com/skype%E2%80%99s-outage-a-lesson-in-how-to-handle-a-crisis-in-the-age-of-social-media/>.

charges while network issues are affecting customers or the ability to cancel their contract without charge.

While all problems have their own characteristics, a standard set of options should be available to all customers when there are ongoing service problems. Customers would then be free to choose the best option for them, whether that is a discount on their account or the cancellation of their contract. Having these options clearly articulated and easily executed would reduce the amount of time customers must spend speaking to customer service and reduce the number of complaints to the Telecommunications Industry Ombudsman. Although the ease with which customers could leave their contracts is likely to result in a larger number of cancellations it would generate some goodwill with customers.

Apologies and immediate action

On December 21 2010, Nigel Dews apologised for the ongoing network issues that were affecting some customers.[17] While apologising was an important first step, it appeared to do little to allay customers' concerns over the ongoing issues they were having. Therefore it is important that any apology is matched with significant actions that can be seen by customers.

Johnson & Johnson's (J&J) handling of the 1982 Tylenol crisis is notable in its effective public relations plan that focused on ensuring the customer's safety and concerns first.[18] Their plan included the following important steps:

1. Inform and apologise to customers for the problems through the media
2. Stop advertising and selling the product regardless of whether or not they were impacted
3. Provide compensation to those who had already purchased the product
4. Introduce a number of steps to prevent the situation from happening again
5. Offer discounts to win back customer's trust in the company and product

The entire process took two months, from when the incident was first discovered to when the improved product was available to consumers.

Vodafone's problems first became publicly evident almost three months ago and it is still unclear exactly which areas have been impacted by poor network coverage and which customers are receiving incorrect bills. In the first instance of widespread problems, Vodafone should have investigated and informed all customers of the potential that their service could be impacted. Although the action resulting from any investigation will not be immediate it is important to provide regular information on those actions to allay customers' concerns.

[17]Dews, Nigel. An apology to our customers. 21 Dec. 2010. Vodafone Hutchison Australia. 14 Jan. 2011 <http://blog.vodafone.com.au/blog/news/an-apology-to-our-customers/>.
[18]Rehak Judith. 2002. Tylenol made a hero of Johnson & Johnson : The recall that started them all. The New York Times, [online] 23 March 2002. Available at: <http://www.nytimes.com/2002/03/23/your-money/23iht-mjj_ed3_.html> [Accessed 12 January 2011].

The way forward

Vodafone's handling of its customer's complaints and the subsequent public relations crisis should serve as a warning to any business. A failure to put customers first, immediately address customers' concerns and communicate transparently to the public can be detrimental to a brand and the company's reputation. The environment in which businesses operate is very different today than it was just five years ago. Communication is faster and more efficient, secrets are more likely to be exposed and complex technology is becoming a commodity. All organisations must take notice of this changing business environment or risk unforeseen customer backlash.

Message from Adam Brimo

Vodafail.com is not the first website designed to raise awareness to a particular issue and it will certainly not be the last. However Vodafail is a single-issue campaign and it will not be expanded to include other companies or industries. It's original goal, to raise awareness of the issues affecting Vodafone's customers has been achieved with help from the media and the public. I have been greatly humbled by the attention it has received and thankful of the reception with which it was greeted. I am personally grateful to the support of my family, my partner Melissa Ran and the generous effort of David Clifford and Travis Symonds along with all of the other contributors who have stood up for this cause.

My hope today, as it has always been, is that Vodafone acknowledges and remedies the issues which sparked the creation of Vodafail. Those issues have been acknowledged by customers, Vodafone employees and their affiliates and I hope they are soon resolved. As the volume of posts and traffic to Vodafail decreases I am looking forward to returning to my normal life. However the website will remain as a reminder that the customer's voice cannot be ignored and that products and services must live up to the public's expectations.

Appendices

Email Correspondence

The following emails have been received by Vodafail.com.

Notes from Employees

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Employee - January 14th 2010 - 3:23pm

"I was indirectly involved in the internal restructure resulting from the merger of Vodafone Australia and Hutchinson, which resulted in more than 270 Vodafone employees being made redundant across the country. The cuts started in July 2009 and progressively continued in latter parts of last 2010. These people came from all sectors and from the GM level down. There was significant changes in upper management with ex-Hutchinson management assuming many of the senior roles. It became very apparent subsequently that a different

culture was being adopted particularly with regard to human resource management. Quite suddenly many of the programs that were setup to care for employees (even ex Employees) were dropped and new suggestions fell on deaf ears. Unfortunately many of the worst experiences for customers seems to have coincided also and I suspect could be traced across the similar timeline during the 2010 calendar year.”

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Employee - January 14th 2010 - 10:28pm

“As an ex VHA employee, I totally agree - after vodafone purchased back all their 'stores' and the 3 merger occured, it all started going down hill - network issues, treating loyal and dedicated employees and customers like they were completely worthless - the vodafone business plan was to become, quote 'Australia's first low cost' mobile phone provider and 'the most recommended' even offering staff an $150 Vodafone toolkit as part of a new workplace contract to try and reel in all our friends and family. They didn't give a crap that after years of service, instead of a pay rise I was being offered a pay cut on even my base salary - taking into consideration commission that was roughly $30,000 LESS than what I had been earning working for a great company called Digicall who actually CARED!. I could no longer afford to live, pay my bills, support my family but was expected to smile and sign away! They stuffed our salaries and commission, forcing many dedicated and talented people to just walk away in frustration. People like myself resigned because Vodafone sold out - it was all about reeling people in and who cares what happens next. I did care - I didn't want to continue selling a service that was substandard or lying to my customers who I had built trusting relationships with. What is happening now at Vodafone is called KARMA. You want low cost? You want to hire casuals? You want to screw people over - well what goes around comes around! Funnily enough I still run into some of my old customers that I spent hours with trying to help them resolve their issues. They all tell me they miss me and I should go back. My answer? Never. I wish I could - if it was still Digicall I would go back. Why? I loved my job. I loved my customers and I loved the people I worked with and respected the company because they respected me. And at the time Vodafone was actually a company that I was proud to say that I represented. Not anymore.”

Confirmation of Staff Posting on Vodafail

Employee - December 26, 2010 - 7:30pm

“...In terms of our stores IP, best to leave it blocked for a couple of days. By then the manager will have returned and the message should sink in that your site should not be used as a tool for entertainment but as a chance to assist people and maybe alleviate some peoples frustrations. Unfortunately [sic] some of our staff will continue to act out of spite, so if we leave it banned for time being it should make them move on.”

Anonymous Employee Thread 1

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Employee - December 28th 2010 - 3:15pm

I work for VHA and I am glad that someone has given us all a voice.

SInce the merge- there has been nothing but issues.

As a staff member, I have never once had a reply when it comes to anything significant like network issues.
...Head Office constantly say they are transparent and want to know how we feel - so those who can think for themselves they can fire...

As the frontline of Vodafone, we have no support. VHA is run by ALL former 3 staff who couldn't do their job at 3 and consequently cant do their job now,

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Adam - December 28th 2010 - 4:00pm

Thanks for the email...

We are not involved in the class action and it appears to just be an investigation at this time, not an actual lawsuit. We are hoping that the media attention surrounding these issues will bring about some change in the way VHA has operated (within the company and externally) and the service it has provided to customers.

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Employee - December 28th 2010 - 5:36pm

I have been 'raising' these issues for the past 2 months to no response.. I feel bad when people blame the call centre - they arent trained very well and dont know alot about vodafone systems. *content removed for anonymity* since they moved the call centre offshore due to cost cutting, i believe the call centre are treated unfairly.
1 - they HAVENT been trained properly which is not their fault, they are just doing what they are told (nigel dews)
content removed for anonymity

Anonymous Reseller Thread 1

Reseller - January 1st 2011 - 3:57pm
Firstly thank you and well done for what you are doing for the community against Vodafone.

I am a small dealer of Vodafone services located in *PERSONAL DETAILS REMOVED*. I have been here for *PERSONAL DETAILS REMOVED* I have connected hundreds of commercial and personal contracts. For this I obtain a "airtime" kickback of 3% and an extra 4% if I hit my bonus. Vodafone has always had a reasonable reputation in the local area and I have always been open and honest with my clients/ friends. I have never signed anyone up knowing they will be getting a bad service due to where they live or work> We do all compliance checks and appreciate any feedback from our customers. If they are unhappy we go to bat for them against the principal "Vodafone" and get them out of their contract. We have done this on many occasions and have a very good reputation for not leaving people high and dry.

I have several affected services and am working with the TIO now to get my contracts terminated and get on to Telstra so at least I can field calls and address my clients. I am sure

the TIO will assist me due to the circumstances an my loss of earnings due to no or pitiful reception just 2kms from the *PERSONAL DETAILS REMOVED*.

What my problem is this, I cannot see Vodafone bouncing back from this demoralising publicity and I cannot see them offering a service that is up to par with what they promise. I have recently refinanced my property to give the business a cash flow as our sales and so on are dropping dramatically. I am now over $$$$ in the RED and cannot continue to pay wages and rent if this keeps going on. I have heard all the excuses from Vodafone saying it will be fixed in 24 hours blah blah blah, these are straight out lies and deceptive comments. I simply cannot repeat these statements to my clients/ customers.

I am sure make that certain other small dealers are feeling the same hurt and we are going broke due to their dodgy network. If they had of told me months ago they were experiencing prolonged periods of issues I would of shut up shop and be done with it.

I aim to fight for what is rightfully mine and I will undoubtedly be required to close my shop and sack my staff.. I would settle for my airtime I would of accrued had they have a satisfactory network and no issues and would seek to balance out what it is owed to the bank. Thus I will be suing VHA for $$$$ not a penny less and am happy to work with anyone or body who needs a whistle blower as I have years of dealings with their methods and tactics.

...

Reaction to Legal Action from VHA CEO Nigel Dews

"This morning we've been made aware that a law firm is soliciting for customers to come forward in a class action in light of recent network issues.

The most important thing we can do is to remain focussed [sic] on improving our customers' experience of our network, and keep working with our customers, individually, to understand their experience, resolve it and make it up to them.

There's no higher priority than making sure customers are happy with their service and we are all very sorry that some have not been happy recently. We are also in contact with the ACCC and other consumer groups to advise them of what we are doing to improve network performance and service to our customers, and we are keeping our customers across changes through our website.

Our network performance is improving and we are confident that things will get better as we continue to roll out extra capacity across our network.

It's obviously very disappointing to hear that a legal firm is using this to drum up business but our best approach is to keep focussed on our customers. I'm confident that things are getting better and our network metrics are improving. Thank you to everyone who is working so hard on this. I hope you all have a safe and Merry Christmas."

Hold / Wait Time Data

Vodafone customers have voluntarily reported the amount of time they spent waiting on hold for Vodafone customer support. The average, shortest and longest wait times are in minutes.

Date of call	Responses	Average	Shortest	Longest	Still waiting
13/01/11	15	39	15	80	6
12/01/11	34	85.77	5	450	12
11/01/11	42	54.91	0	128	20
10/01/11	56	57.86	0	133	27
9/01/11	41	55.24	0	160	16
8/01/11	23	82.18	25	300	6
7/01/11	68	66.56	10	270	20
6/01/11	84	62.92	20	240	34
5/01/11	99	55.8	0	510	40
4/01/11	112	57.41	0	420	42
3/01/11	49	85.7	0	1169	16
2/01/11	32	79.5	0	195	16
1/01/11	6	60.4	0	120	1

Vodafail Posts by City and State

This table shows the number of stories posted on Vodafail broken down by city and state. Only cities with more than ten posts and that can be traced to a city are shown.

City	State	Posts
Auckland	New Zealand	10
Canberra	Australian Capital Territory	160
Sydney	New South Wales	1103
Chatswood	New South Wales	126
Ryde	New South Wales	37

Liverpool	New South Wales	28
Blacktown	New South Wales	24
Parramatta	New South Wales	24
Baulkham Hills	New South Wales	21
Greenwich	New South Wales	20
Westmead	New South Wales	19
Surry Hills	New South Wales	18
Penrith	New South Wales	18
Newcastle	New South Wales	17
Pennant Hills	New South Wales	16
Concord	New South Wales	15
Wollongong	New South Wales	14
Kellyville	New South Wales	14
Seven Hills	New South Wales	14
Yarramalong	New South Wales	14
Windsor	New South Wales	14
North Sydney	New South Wales	13
Gosford	New South Wales	13
Ashfield	New South Wales	13
Hurstville	New South Wales	13
Castle Hill	New South Wales	13
Eastwood	New South Wales	12
Fairfield	New South Wales	12
Woy Woy	New South Wales	12
Homebush	New South Wales	12
Wedderburn	New South Wales	11
Merrylands	New South Wales	11

Saint Marys	New South Wales	10
Maroubra	New South Wales	10
Kingswood	New South Wales	10
Abbotsford	New South Wales	10
Quakers Hill	New South Wales	10
Mount Druitt	New South Wales	10
Brisbane	Queensland	695
Gold Coast	Queensland	83
Nerang	Queensland	14
Caloundra	Queensland	12
Strathpine	Queensland	12
Southport	Queensland	11
Townsville	Queensland	10
Newstead	Queensland	10
Brookfield	Queensland	10
East Brisbane	Queensland	10
Adelaide	South Australia	262
Salisbury	South Australia	21
Hobart	Tasmania	24
Melbourne	Victoria	801
Saint Kilda	Victoria	25
Hawthorn	Victoria	16
Geelong	Victoria	16
Frankston	Victoria	16
Reservoir	Victoria	15
Malvern	Victoria	15
Preston	Victoria	14

Cranbourne	Victoria	13
Noble Park	Victoria	13
Werribee	Victoria	12
Dandenong	Victoria	12
Narre Warren	Victoria	10
Richmond	Victoria	10
Perth	Western Australia	468
Armadale	Western Australia	14

User Reported Reception

This table shows the reception of Vodafone customers as they have reported on Vodafail.com. Only postcodes with a sample size of greater than twenty different people are reported. The perceived reception for voice, Internet and broadband services are stated as a percentage. The columns marked as 850Mhz and 2100Mhz indicate the number of new towers that are being installed or upgraded in Q1 of 2011 as provided on Vodafone's network status page.

Postcode	Voice	Internet	Broadband	Responses	Dropouts	850Mhz	2100Mhz
810	37%	20%	13%	23	100	0	0
2000	27%	19%	16%	152	1111	3	0
2009	35%	21%	17%	41	147	0	0
2010	35%	26%	15%	73	384	0	0
2011	32%	21%	17%	44	224	0	1
2015	39%	21%	12%	38	252	0	0
2016	34%	23%	21%	33	301	0	0
2017	20%	15%	9%	54	281	0	0
2026	31%	22%	15%	73	620	0	0
2030	22%	19%	14%	22	223	0	0
2031	27%	20%	17%	52	199	0	0
2032	22%	23%	15%	28	272	0	0
2035	37%	30%	27%	35	232	0	1

2037	27%	16%	14%	30	66	0	0
2040	37%	22%	12%	25	99	0	0
2041	21%	25%	11%	29	156	0	0
2042	30%	23%	18%	55	193	0	0
2046	24%	15%	15%	35	174	0	0
2048	13%	11%	2%	23	75	1	0
2050	31%	21%	22%	22	53	0	0
2060	30%	23%	13%	48	263	1	0
2065	32%	20%	17%	47	235	0	0
2066	24%	21%	16%	37	130	1	0
2067	25%	19%	16%	33	203	0	0
2074	18%	11%	9%	45	211	1	0
2075	21%	16%	9%	28	90	0	0
2076	27%	14%	10%	35	166	0	0
2077	22%	13%	13%	51	232	0	0
2085	28%	22%	21%	22	149	0	0
2088	27%	17%	15%	36	204	0	0
2089	42%	26%	22%	30	209	0	0
2090	34%	25%	18%	28	162	0	0
2093	29%	19%	12%	22	102	0	0
2095	31%	19%	11%	24	200	0	0
2096	35%	15%	14%	27	124	0	0
2099	22%	19%	14%	26	108	0	0
2100	32%	25%	19%	28	237	0	0
2101	19%	14%	10%	31	232	0	0
2107	30%	18%	12%	22	187	0	0
2112	16%	11%	15%	28	122	0	0
2113	28%	19%	19%	28	95	0	0

2114	23%	19%	14%	30	194	0	0
2117	39%	27%	19%	21	97	0	0
2120	35%	19%	20%	28	69	0	0
2121	18%	8%	10%	34	94	0	1
2122	31%	15%	10%	35	104	0	0
2127	19%	13%	8%	22	77	0	0
2131	15%	13%	6%	22	185	0	0
2137	24%	19%	7%	37	163	0	0
2138	15%	15%	6%	21	175	0	0
2141	27%	21%	11%	24	169	1	0
2144	23%	17%	10%	24	297	0	0
2145	21%	14%	12%	64	595	0	0
2147	41%	23%	20%	25	181	0	0
2148	26%	17%	9%	51	274	0	0
2150	29%	18%	16%	23	122	2	0
2151	34%	32%	23%	22	159	0	0
2153	25%	17%	10%	48	280	0	1
2154	33%	24%	18%	35	187	0	0
2155	22%	15%	12%	49	288	0	0
2160	38%	29%	18%	30	164	0	0
2161	31%	23%	28%	21	192	0	0
2165	25%	13%	10%	27	227	1	0
2166	19%	12%	6%	28	98	1	0
2170	33%	23%	19%	59	687	2	0
2176	15%	10%	8%	26	215	2	0
2200	37%	17%	10%	39	353	1	0
2204	20%	16%	5%	48	215	2	0
2218	30%	15%	15%	21	122	0	0

2220	25%	17%	12%	25	262	1	0
2229	32%	21%	19%	27	214	0	0
2230	36%	26%	20%	54	669	0	0
2232	21%	15%	6%	34	90	0	0
2234	24%	19%	11%	30	149	0	0
2250	34%	21%	20%	72	676	1	0
2251	22%	15%	12%	30	215	0	0
2259	27%	16%	14%	72	712	0	0
2260	30%	14%	8%	29	164	0	0
2261	28%	15%	14%	51	360	0	1
2290	9%	6%	3%	25	417	0	0
2500	38%	26%	16%	41	146	0	0
2540	21%	13%	8%	27	96	0	0
2560	32%	20%	15%	56	259	0	0
2565	27%	25%	13%	21	89	0	0
2567	33%	28%	28%	28	129	0	0
2570	24%	16%	12%	28	141	0	0
2602	39%	23%	22%	31	130	0	0
2615	28%	18%	17%	44	290	0	0
2617	35%	30%	20%	26	200	0	0
2620	35%	18%	14%	24	164	0	0
2747	25%	15%	13%	28	184	0	0
2750	29%	14%	10%	38	315	0	0
2756	30%	22%	16%	31	260	0	0
2760	23%	13%	6%	23	103	0	0
2761	26%	21%	19%	22	174	0	0
2763	30%	21%	13%	23	119	0	0
2768	31%	17%	11%	30	189	0	0

2770	17%	10%	7%	24	114	0	0
2777	33%	13%	13%	22	70	0	0
2795	26%	21%	9%	26	176	0	0
2902	25%	16%	12%	23	103	0	0
2905	25%	21%	22%	30	189	0	0
2906	25%	22%	20%	28	150	0	0
2913	30%	16%	12%	49	336	0	0
3000	26%	22%	19%	70	192	1	0
3006	38%	25%	18%	22	46	0	0
3023	29%	21%	19%	29	82	1	1
3029	23%	12%	11%	48	522	0	0
3030	22%	14%	16%	72	730	1	0
3031	25%	14%	15%	27	183	0	0
3032	40%	33%	25%	22	123	0	0
3037	36%	30%	20%	27	133	1	0
3040	18%	13%	10%	24	68	2	0
3056	26%	18%	13%	28	114	0	0
3058	37%	25%	27%	30	103	2	0
3064	23%	14%	10%	42	178	0	0
3070	20%	17%	9%	30	169	0	0
3071	16%	13%	15%	27	81	0	0
3084	20%	15%	8%	22	39	1	0
3095	26%	15%	15%	26	123	0	0
3121	32%	24%	14%	21	35	1	0
3122	30%	16%	16%	25	126	0	0
3130	26%	15%	12%	27	52	0	0
3135	30%	16%	13%	21	66	0	0
3136	22%	14%	8%	29	184	1	0

3150	29%	22%	22%	36	199	0	0
3163	24%	13%	12%	32	75	0	0
3181	33%	22%	13%	24	85	0	0
3182	26%	12%	11%	27	105	0	0
3195	27%	23%	20%	29	149	0	0
3199	28%	15%	13%	28	123	0	0
3204	23%	16%	18%	23	63	0	0
3216	23%	13%	11%	25	81	0	0
3337	24%	13%	7%	29	266	0	0
3350	30%	21%	15%	25	58	0	0
3429	34%	16%	13%	23	110	0	0
3752	30%	9%	6%	21	214	0	0
3805	32%	17%	13%	31	141	0	0
3806	27%	22%	12%	40	294	0	0
3810	24%	13%	10%	26	107	0	0
3977	23%	11%	13%	43	203	0	0
4000	35%	20%	17%	36	161	1	0
4012	36%	22%	14%	22	36	0	0
4017	30%	21%	18%	29	201	0	0
4034	20%	15%	9%	30	156	0	0
4051	27%	25%	13%	24	113	0	0
4068	28%	17%	11%	22	36	0	0
4069	20%	13%	12%	23	188	0	0
4152	36%	22%	17%	28	183	0	0
4207	25%	15%	6%	24	233	0	0
4209	32%	21%	13%	35	163	0	1
4211	22%	16%	11%	48	370	0	0
4212	28%	15%	11%	24	161	0	0

4214	32%	18%	18%	28	207	1	0
4215	26%	12%	12%	55	390	0	0
4217	29%	16%	14%	33	187	0	0
4218	34%	18%	14%	27	135	1	0
4220	34%	21%	19%	31	263	0	0
4226	26%	19%	15%	34	239	1	0
4300	27%	20%	15%	38	212	0	0
4305	23%	18%	12%	31	172	0	1
4306	21%	8%	2%	23	163	0	0
4350	34%	15%	14%	42	205	0	0
4500	23%	16%	22%	32	174	0	0
4503	35%	30%	28%	29	143	0	0
4509	30%	14%	19%	24	252	0	0
4510	21%	16%	11%	21	194	0	0
4551	31%	25%	28%	22	197	0	0
4560	20%	9%	16%	22	230	0	0
4655	18%	15%	11%	25	189	0	0
4670	28%	10%	6%	25	228	0	0
4680	20%	14%	10%	26	120	0	0
4740	33%	24%	14%	30	310	0	0
4814	28%	21%	14%	24	171	0	0
4817	27%	22%	18%	32	266	0	0
4870	29%	19%	13%	50	257	0	0
5000	30%	23%	18%	24	37	3	0
6000	35%	22%	20%	21	36	0	0
6027	32%	23%	22%	22	110	0	0
6065	30%	25%	12%	30	234	0	0
6107	21%	15%	9%	33	211	1	0

6155	36%	19%	9%	21	107	0	0
7000	50%	34%	31%	33	180	0	0