

Contextualizing Customers

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This paper is based on fieldwork in Pakistan and Malawi and focuses on the importance of communicating contextualizing stories to HQ and business developer teams. By means of an explorative approach—even in highly structured commercial projects with formalized needs—we've uncovered findings and generated understandings that would be hard to pinpoint from a desktop-based pre-study or demand driven fieldwork. These findings in turn have proven to be important tools for said business developers in spite of the fact that they were not included in the initial fieldwork specification. Since our respondents are seen, heard and understood as far as possible within their own framework of values, priorities and aspirations, we, as researchers, are in a position to communicate a well-grounded and more refined picture of their daily lives rather than merely communicating the measurable hard facts back to corporate business developers.

INTRODUCTION

With local and well-established telecom markets rapidly becoming saturated, major players in the mobile telecom industry are turning their attention to the so-called emerging or growth markets in Asia, Africa and Latin America. Their strategies for doing so were initially based on business models developed and tested in more familiar surroundings, and were for that reason inadequate in markets lacking infrastructure, with unfamiliar (and often unfriendly) regulatory environments and where the majority of prospective customers have a disposable income of USD 5 a day or less.

A natural first step into such markets is to target consumer segments that share the lifestyles and attributes of Western consumers, i.e. the urban upper and middle classes and the upwardly mobile in lower classes. It was quickly recognized, however, that the real challenge and profits are to be found elsewhere. Global operators are therefore currently exploring the untapped market potential at the so-called “base of the pyramid” —the four billion prospective customers who constitute the largest and fastest growing segment of the world's population. In doing so, they are forced to expose various tacit assumptions, re-examine conventional wisdom and to generate new understandings of who these four billion persons are and what they aspire to be.

When entering new markets with fundamentally different needs, wants and possibilities mobile telecom operators are increasingly turning to ethnographic field studies to serve not only as a ‘reality check’ for business model developers, but also to generate a general knowledge base suggesting future service opportunities.

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The common way of delivering results from rapid ethnographic fieldwork in industry has been to present “key findings” to suit the needs of business development teams. A more subtle and equally important method is to convey the rich context of findings. In the following we will describe our experiences with contextualization as an integral part of the delivery to give the understandings and applications we have developed more impact.

DOING RESEARCH ON MOBILE TELEPHONY

Telenor has since the early 1990's had a strong focus on research on the social implications of information technology, and since the mid- to late 90's a strong emphasis on the mobile telephony and the societal changes of which it has been a part. From the early stages of focusing on the mere impact of the mobile phone as the next step in the evolution of the telephone, to the more profound cultural, cognitive and behavioral changes that come with a technology that changes how we perceive and relate to our surroundings. From the very start Telenor has focused on the need to use multiple methods to understand the full range of implications of this technology. From the high-level statistical analysis of data traffic, the increase in short message services (SMS or texting) and media message services (MMS) to the deeper studies on cultural changes and how technology change behavioral patterns.

Since 2004 a great share of the Customer Insight work in Telenor R&I (from May 2009 known as Telenor Group Business Development & Research) focused on our markets outside the Nordic countries, and we've had the opportunity to look into such diverse issues as social networks among youth, regional cultural differences and similarities among youth and small- and medium sized enterprises in locations from rural Bangladesh to industrial towns in Ukraine and remote locations in the Nordic countries.

Our studies have focused on communication patterns, social- and business network, consumption patterns, cultural influences, similarities and differences between our markets, aspirations and consumer needs and wants in a broad specter of segments. And more often than not, we go into our projects with an explorative perspective where the need to establish knowledge as thoroughly and deeply as possible is more important than just gathering hard facts.

THE RESEARCHER AS INTERPRETER AND MEDIATOR

Research on the social implications of telecommunication technology is based on a need for the company to understand how our customers interpret our products and put it into use. This knowledge will in turn be utilized in everything from segmentation models to product development. In other words: Strengthening our business through end user knowledge and understanding. Our approach in most of our studies is to take a bottom up perspective. Through close dialogues with our customers we're able to create an

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understanding on how ICT's change and are changed when it meets real users. The aim is to uncover patterns that are not visible or evident to the business developers based at HQ.

With such an approach we rely heavily on four sources of information:

- Formal interviews
- Informal interviews
- Observations
- Expert interviews

Informal interviews and observation contribute a great share of our knowledge and understanding of contexts, yet we also in most cases support the informal approach with expert interviews and formal interviews of the more traditional type. Expert interviews can in the cases presented herein be health workers, actors in the micro-finance institutions, and NGO's. All to give us a better and more rapid understanding of the situation in said areas. Formal interviews would be interviews planned beforehand, often assisted by a recruitment agency and with the support of translator, transcriber and moderator.

Our research projects can have an agenda and an approach that can be anyplace on the scale from open and explorative to defined gathering of hard data for business development teams or concept developers.

The key objective of the open and explorative projects is in most cases to learn as much as possible within a defined research field. In the period from 2005 to 2008 we did a worldwide youth culture study, where we explored urban youth in all Telenor markets and a few non-markets with the intention to map out some general trends, consumption- and user patterns. The approach was highly explorative, yet we utilized a pre-defined questionnaire that was constantly developed, flexed and tweaked during the nearly 230 hour-long interviews we did in the project. The outcome was a highly detailed report that has been utilized in all Telenor markets as a tool to understand similarities and differences in youth culture and consumer trends across the borders.

Hard data projects rely on well-prepared interview guides that cover the key research issues in as clear and concise manner as possible to allow unambiguous interpretation, specifically aimed for the use of colleagues with other competences and roles than being professional strangers (Agar 1996). The key problem to such an approach is the limitations in both understanding and comprehension of local culture by the ones formulating the questions and the desktop hypothesizes. Formulating unambiguous questions with limited knowledge of local conditions ends up with answering one's own pre-conceived ideas about the specific issues wanted covered. In other words, the assumptions of the HQ team are answered and formalized in the questionnaire, and what were assumptions are now considered hard facts.

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What comes through in most cases though is the need for a fundamental understanding of the social scenario that the social interaction takes place within. Lack of knowledge or understanding about the specific region, religion, culture or socio-economic class by those formulating the questions, gives an imprecise focus and data with great limitations in regards to information about site specific issues.

Herein lays the key objective of this article: to focus on the contextual knowledge we as ethnographers can provide to the team located in HQ, and how this knowledge in turn shapes the projects that we are involved with.

Our research method is heavily inspired of the psychologist Steinar Kvale and his interpretation/understanding of the interview as an “inter-view” —as in the knowledge that is established in the dialogue between the interviewer and the interviewee.

“The qualitative research interview has a unique potential for obtaining access to and describing the lived everyday world. The attempt to obtain unprejudiced descriptions entails a rehabilitation of the *Lebenswelt* -the life world - in relation to the world of science. The life world is the world as it is encountered in everyday life and given direct and immediate experience, independent of and prior to explanations.” (Kvale 1996:54)

We can start from either the point of our structured information needs or our open research agenda. The structured point shares many assumptions with the world of corporate business and what is remarkable is those unplanned events where the assumptions do not match any reality we can discover and call for exploration to find meaningful patterns. On the other hand, the open research agenda allows structured findings to emerge from exploratory research as we discover patterns.

PRESENTING TWO DIFFERENT CASES

Our ethnographic case studies are positioned at the two extremes of the structured/explorative continuum. At the structured extreme ethnographers were required to provide specific answers to specific questions posed by business development teams focusing on the communication needs of the rural population in Malawi. At the other extreme an observer was sent to a remote location in Pakistan to explore local communication and information ecologies.

Both cases rely on the researcher’s trained eye, receptivity to the unexpected and openness to the unseen and tacit. Because we are employed by a leading telecom operator, there are specific questions we need to answer within a limited time frame: the well structured questions are the easy ones to get answers to, but what about those dimensions of daily life that informants are less willing or simply incapable of communicating? Especially communicating in terms of the unexplored assumptions of European engineers or business

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developers? These are often the questions that are left unanswered or perhaps unasked, either because they violate local or universal norms of social etiquette or due to our or our informants' cultural blindness, making them all the more interesting. In our experience from various markets such questions and the responses they generate provide not only insight but may also suggest a variety of unexplored telecom service concepts. Through an explorative approach we have demonstrated an ability to formulate new research questions, hypotheses and gain new insight. This explorative approach provides the opportunity to generate future projects as well as knowledge that will be communicated as the contextualized information within the more limited framework of the current project.

Case 1: Malawi

During 2008 Telenor R&I initiated a project focusing on the providing low cost mobile telephony to areas where traditional approaches were considered to be unprofitable from a business perspective - in other words, the segment that is often referred to as BOP (Base/bottom of the pyramid). This is a segment, culture and social stratum that Telenor has limited experience of working towards, thus the need for knowledge and information was high. The firm's most important need was for structured formal data to plug into the business case. The case was built upon a design that entailed close cooperation with the service users, thus acting in accordance with the recommendations made by thinkers like C.K. Prahalad (Prahalad 2005) who discuss the business potential for the bottom of the pyramid. Prahalad emphasize the need for a deep understanding of the potential customers' living conditions, social networks, work patterns, annual patterns, transportation means and routes, religious practices, education, health, needs, wants and dreams, all within the limitations (time/cost) of a corporate paradigm. These are all the more problematic because they are unfamiliar to urban dwellers, business people, engineers and most who lack such life experiences. A project that relies on local support must first and foremost be based on local knowledge and understanding that is inaccessible to corporate headquarters.

Developing a business case requires a number of data inputs that are needed to verify or disprove the solidity of the case. A detailed interview guide/data gathering guide was thus developed by the business developed team in close cooperation with the ethnographers staffed on the project. The goal was to map out all the needed factors that we where not able to cover during an extended desktop analysis. The guide was tweaked according to our feedback, but what we ended up with was still a highly detailed data collection tool that covered everything from average work commute to disposable income and harvest seasons. In other words: a questionnaire that could be shipped out to any data collecting agency and reported back to HQ a few weeks later. The problem is that the approach in this specific case is not based on the principles of a traditional business case. Approaching the BOP segment requires a fundamental understanding and connection with the local population, and during the weeklong fieldwork it became evident that the formalized questionnaire fulfilled some of the needs of the project team, but by far not all issues that needed to be covered. This is an insight we have from other projects as well, and thus the explorative angle/mindset paid off once again. Through active use of photos, informal interviews and

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observations we were able to sketch out a more complete picture of life in the Malawian countryside.



FIGURE 1 Tea plantation in Malawi. Contextual information and understanding is based on local knowledge and understanding. Harvest seasons and seasonal work affects the business case.

A large part of a hectic and highly concentrated fieldwork is being *in* the field. That means long days around the people and the daily life one is engaged in understanding. One illustrating case came upon us when visiting a small permanent roadside market on the road out of Blantyre. It's one of those markets where most everything is sold, and that have a formalized format. This is contrasted with the weekly or monthly markets found in more desolate areas of the countries. The function of these markets are twofold, products are bought from wholesalers located in one of the larger cities in Malawi and resold in smaller units to the local rural population, or the local population sells their products (diary, meat, vegetables, homemade products). Thus it's an important institution in the daily life of the average Malawian. What we found in these markets where that what could be considered small units of food or hardware, was split into even smaller units. This as an answer to an

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economic situation on household level that is highly subsistence based. No income is saved, thus creating a large fluctuation in the households spending power. This creates a need for—in other words a strategy—where small units are the solution. Cooking oil containers are split into daily rations that are sold for a fraction of the price of the whole bottle. This ensures that the end consumer can afford a product that would otherwise be out of the question if bought as a whole bottle.



FIGURE 2 Oil containers in the market. In a limited monetary economy with a high degree of subsistence, alternative strategies have to be developed. These small oil containers are a good example of that.

This story created a much needed backdrop for explaining how household income are spent, how seasonal changes affect spending power, how innovative strategies are established when standard procedures or products are shaped to the environment it will be used. Through storytelling or context illustration we were able to explain to our business developers and engineers more about life in rural Malawi than any hard data collection could do. It became a way to explain the context of a rural Malawian family's daily life, and gave a deeper understanding of the environment our product would be used in. Through this we were able to shape the project in a direction where the offerings were more in tune with the

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local culture and consumption patterns. In this specific project it meant that we needed to develop call-units, top-up plans and top-up methods that were far smaller and far more economical than anywhere else we've been to date.

Case 2: The Northern Areas, Pakistan

During the past three years numerous Telenor research projects have addressed the lifestyles, behaviors and needs of the rural population in Asian growth markets such as Pakistan and Bangladesh. Recognizing the importance of understanding customers as well as the so-called “unconnected” (those without access to mobile handsets or living in areas with limited mobile coverage) in order to develop relevant and sustainable mobile service offerings, these initiatives provide useful insights and suggest a wide range of future service concepts. Without exception, however, they all suffer from the same shortcomings, limiting their scope and innovative potential, thereby also reducing their value to Telenor. Time constraints force the researcher to adopt an “attack and retreat” strategy in the field, covering as much territory as possible in a few days. Furthermore, the researcher/translator team needs time to fine tune their relationship in order to get accurate information that is usually not available. Adding to the inherent limitations of this approach, the research agenda and methods are rigidly pre-defined and offer little room for tweaking in the field or experimenting with alternative methods for data collection. Travel generally consumes over half of the allotted time for data collection. The “ideal” project has a relatively narrow focus (e.g. entertainment, youth, shared access, missed calls, SIM switching, distribution, etc.) that prevents or discourages the researcher from understanding the interrelatedness of themes and observed phenomena. Time constraints (among other factors) generally prevent the researcher from re-examining and questioning his/her preconceived notions about cultural context, development, poverty, the correct approach to business, the role of ICT in wealth creation, gender, religion, etc. —i.e. the cultural and personal baggage that is always brought along. Similarly, the social, cultural, historical and material contexts within which the observed phenomenon is imbedded are purposely neglected due to time constraints or because their relevance is not immediately apparent.

The net result of these factors is more often than not de-contextualized research carried out by teams under severe and unrealistic time constraints. A five-week field trip to the Northern Areas in Pakistan in 2008 sought to partially remedy this situation by remaining in one location for an extended period of time. Although it was recognized that this would not in itself remedy the shortcomings described above, it was anticipated that it would reduce the negative impacts of time constraints and allow the researcher to become a familiar face, gain at least a modicum of trust among the local population and “dig deeper” than had so far been possible. The initial focus for the field study was how information (broadly conceived) is generated, accessed, used and re-distributed within the community, e.g., what types of information, by whom, how frequently, at what cost, etc. Since Telenor is a mobile operator, it was also highly relevant to understand how (by which channels) inhabitants of these remote communities communicate, locally and to distant locations, with whom, for what

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purposes, how frequently and at what cost. Gaining a deeper understand of communication barriers (financial, literacy/skills, cultural, technical, etc.) was potentially also a significant outcome.



FIGURE 3 A farmer in a village in Northern Areas, Pakistan. Mobile communications are rapidly transforming the lives of local inhabitants, presenting telecom researchers with new arenas and challenges.

Corporate market research departments generally resort to demographic analyses followed up by some form survey or focus group discussion to find answers to these and similar questions. To the extent that relevant background factors are known in advance they are included in questionnaires and interview guides, but the need to understand the contextual variables that frame and give meaning to the specific issues being addressed only becomes apparent in retrospect. Furthermore, this type of research is more often than not outsourced to market research firms that may lack the needed background to capture and understand the relevance of such findings. The final (PowerPoint) deliverable generally provides specific answers to questions that may serve as input to the business case and even suggest novel service concepts, but it seldom goes *beyond* the constraints imposed by the initial specification of research questions. The value (measured in corporate terms, naturally) of a more explorative and open-ended approach will be illustrated below.

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Figure 4 Few women are seen on local streets in Skardu, Pakistan. Visitors are encouraged to respect local culture.

Although the initial fieldwork focus was on communication and information ecologies, it soon became apparent that even this comprehensive research focus that we initially thought could accommodate any foreseeable observation as well as secure relevance for Telenor proved to be far too limiting. Documenting the communication behavior and information needs of people in these remote communities would undoubtedly enhance our understanding of local consumers and perhaps even suggest new service offerings that would enrich their lives (and increase *our* revenue). It would also, however, raise countless new questions that can only be answered within the framework of the more inclusive cultural setting. Understanding the position of women in Shia Islam communities such as those that dominate this part of Pakistan, for example, illuminates some of the observations made. Women have limited mobility, even within the local community. They generally need to be accompanied by a male member of the family if they need to travel more than a few kilometers from their home or are exposed to environments where non-family men are present. For this reason female-only markets have been established in the local community. These markets are important information hubs for local women in addition to being one of the few available arenas for socializing outside of private homes. Since few local women own mobile phones, face-to-face communication is an important source of local news. Mobility restrictions also limit occupational opportunities for women, forcing them to turn down positions they are qualified for (e.g. teaching or health care). If women require medical

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attention, in particular obstetric and gynecological services, they must travel to the nearest female doctor. In the Northern Areas that means going to Islamabad by air or a one to two day journey by road. Being a male, the researcher had limited access to female respondents, but the husband of a local woman reported that his wife had used a Telenor Mobile Doctor telephone consulting service to get help from a female doctor in Islamabad, possibly saving her life and, as the respondent expressed it, *his* money. Based on even the most superficial understanding of the significance of gender within this cultural setting one can easily imagine a wide range of mobile services that would enhance the lives of women in the Northern Areas, ranging from banking and shopping to education, health, entertainment and information services. Documenting handset ownership, mobile penetration, usage patterns and average revenue per user (so-called ARPU—one of the traditional market indicators in the telecom industry) would undoubtedly appease business case developers back at corporate headquarters, but it would also leave many questions unanswered and opportunities unexplored. In our experience, returning home from fieldwork with such unanticipated and highly suggestive findings generates far greater excitement than merely delivering the needed numbers for an Excel spreadsheet.

CONCLUSION: MAKE BETTER DECISIONS THROUGH CONTEXT KNOWLEDGE

In this article we have present two recent studies from Malawi and Pakistan that illustrate how, on the one hand, ethnographically informed field studies can increase the likelihood of successful development of a business model, implementation of services and marketing of new telecom offerings, and on the other, how a deeper understanding of cultural context can help to establish a more sustainable and equitable relationship between the telecom operator and the community it serves.

Both cases demonstrate the importance of being on site, doing interviews and as much as possible experiencing life in the areas studied. Both cases also illustrate that the key outcome is something beyond the mere collection and compilation of hard data requested by team members at corporate headquarters.

Through domain-based knowledge specific to our industry and the possibilities that lay therein, experiences with similar scenarios from other markets or historical knowledge in the field of society and communication services we're in a position to deliver a more complex or "rich" description and understanding of the markets studied. This in turn means that better decisions can be made, risk can be lowered and local needs and wants can be met - in other words; "Taking Care of business" at the same time as we are "Taking care of Business".

Communicating findings from the type of research described above within a corporate business setting presents a unique set of challenges that cannot be addressed in this paper. In order to have an impact on service development, provisioning or corporate strategy, decision makers on the receiving end need to understand not only the rich aggregation of substantive

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findings delivered by the research team, but also to recognize their long and short-range implications for business development. The extended role of the corporate researcher in this crucial phase and the tools and techniques at his/her disposal need to be elaborated. This will be the subject of a future publication by the authors.

NOTES

Acknowledgments -- Thanks to Paul Durrenberger for valuable comments to an earlier draft of this paper.

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