MARKETING ORIENTATION IN TELECOM AUSTRALIA

ERA	ORIENTATION
ENGINEERING 1901 - 1975	BUILDING THE NETWORK
OPERATIONS 1975 - 1980	CONNECTING CUSTOMERS TO THE NETWORK
SELLING 1980 - 1987	SELLING THE NETWORK AND TERMINAL EQUIPMENT
MARKETING 1987 -	MATCH PRODUCT AND SERVICE OFFERINGS TO THE CURRENT AND FUTURE NEEDS OF CUSTOMERS

THE ENGINEERING ERA

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THE ENGINEERING ERA

ACHIEVEMENTS

* DEVELOPED THE NETWORK STRUCTURE STILL IN USE

* ESTABLISHED A NATIONAL AUTOMATIC NETWORK

* INNOVATIVE INTRODUCTION OF TECHNOLOGY

* COMMUNITY TELEPHONE PLAN (1960)

THE ENGINEERING ERA

WEAKNESSES

* SLOWNESS TO RESPOND TO "SUBSCRIBERS"

* RESOLUTION OF CONFLICT BETWEEN ENGINNERING AND TELECOMMUNICATIONS AT STATE DIRECTOR LEVEL

* CROSS-SUBSIDY FROM CAPITAL INTENSIVE TELECOMMUNICATIONS TO LABOUR INTENSIVE POSTAL SERVICES

THE OPERATIONS ERA

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THE OPERATIONS ERA

ACHIEVEMENTS

* IN 1975 62% OF HOMES HAD TELEPHONES

  IN 1985 87% OF HOMES (CLOSE TO SATURATION)

* IN 1975 THERE WAS AN AVERAGE 6-8 WEEKS DELAY IN NEW CONNECTIONS (WHAT ABOUT NOW ?)

  IN 1985 80% WERE CONNECTED IN TEN DAYS

* RATE OF INCREASE IN BASIC CHARGES OVER THE 10 YEARS WAS BELOW CPI

* STAFF IN 1976 WERE 87461, IN 1986 94473.

  STAFF PER THOUSAND TELEPHONE SERVICES IN OPERATION DROPPED FROM 23.6 TO 14.5

THE OPERATIONS ERA

WEAKNESSES

* FRAGMENTED ORGANISATION FOR MAJOR CUSTOMERS TO DEAL WITH

* NO ABILITY TO GIVE CUSTOMERS ADVICE ON PROGRESS WITH ORDERS

* TERMINAL PRODUCT DEVELOPMENTS HAD LAGGED BEHIND OVERSEAS TRENDS

THE SELLING ERA

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THE SELLING ERA

TWO SUB - SETS

SELLING ERA I 1980 - 1983

SELLING ERA II 1983 - 1987

THE SELLING ERA I

STRUCTURE

* COMMERCIAL SERVICES CREATED IN HQ

  COMMERCIAL DEPARTMENT CREATED IN NSW AND VICTORIA

* ACCOUNT MANAGERS INTRODUCED TO MAJOR BUSINESS

  ACCOUNTS

THE SELLING ERA I

ACHIEVEMENTS

* INTRODUCED MAJOR NEW PRODUCT LINES, ESPECIALLY KEY SYSTEMS, 008, MTS AND DDS

* DEFUSED MAJOR CUSTOMER CRITICISMS

* PROVIDED CUSTOMERS WITH MEANS TO TRACK PROGRESS OF ORDERS THROUGH THE SYSTEM

THE SELLING ERA I

WEAKNESSES

* DISTRICT MANAGEMENT FOCUSSED ON PRODUCTION TARGETS; LACKED SALES MANAGEMENT SKILLS.

* PRODUCT MANAGEMENT PROCESS DID NOT INCLUDE A BUSINESS PLANNING PROCESS.

* COMMUNICATION PROBLEMS BETWEEN HQ & STATE PRODUCT MANAGERS.

* TARGET SETTING PROCESS CREATED TENSIONS IN THE ORGANISATION

* TOO MANY ACCOUNTS ASSIGNED TO ACCOUNT MANAGERS

* SUPPORT, SKILLS, SYSTEMS AND ACTIVITIES REQUIRED FOR ACCOUNT MANAGERS NOT WELL DEVELOPED.

THE SELLING ERA II

STRUCTURE

* ELEVEN PRODUCT DIVISIONS REFORMED INTO THREE NATURAL BUSINESS UNITS

* NATIONAL SALES FORCE ESTABLISHED TO ADDRESS ALL THREE MARKET SEGMENTS (MAJOR, BUSINESS AND RESIDENTIAL)

THE SELLING ERA II

ACHIEVEMENTS

* DRAMATIC IMPROVEMENT IN SALES PERFORMANCE IN KEY PRODUCT MARKETS

* MOSTLY SUCCESSFUL IN MEETING COMPETITIVE MARKETS PABX, CMTS

* MOSTLY FURTHER SATISFIED MAJOR CUSTOMER REQUIREMENTS FOR SINGLE POINT OF CONTACT

THE SELLING ERA II

WEAKNESSES

* EXCESSIVE EMPHASIS ON PRODUCT SALES IGNORED NETWORK COMPONENT OF REVENUE

* RESIDENTIAL COMPONENT COULD NOT BE COST - EFFECTIVELY ESTABLISHED

* POOR FIT BETWEEN PLANNING REQUIREMENTS OF HQ AND STATES

  SALES TARGETS CONSIDERED AS BEING ANOTHER PRODUCTION TARGET

THE MARKETING ERA

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THE MARKETING ERA

STRUCTURE

* THREE NATIONAL CUSTOMER FOCUSSED DIVISIONS

* A NATIONAL CORPORATE CUSTOMER DIVISION INCLUDING SALES FORCE, PRODUCT UNITS AND OPERATIONS

* ACCOUNT TEAMS HEADED BY NATIONAL BUSINESS MANAGERS, INCLUDING ACCOUNT MANAGERS, ENGINEERING CONSULTANTS, SERVICE MANAGERS AND SERVICE CLERKS