

## Sarin's Vodafone faces corner shop revolt

After seeing off powerful competitors from the boardroom to emerging markets in Africa and Asia, Vodafone's India-born chief executive Arun Sarin is facing a stiff challenge from decidedly unexpected quarters - the humble corner shop.

Corner shops - or convenience stores - across Britain are upset at a move by the mobile telephone company to slash the rate of commission on the sale of pay-as-you-go top-up cards.

They are so upset in fact that some 6,500 of them have held three days of boycott actions, refusing to sell cards that are used to top-up the talk-time for Vodafone customers.

The reduction from 4.5 to 3.5 percent, say disgruntled shopkeepers - a large number of whom are of Indian origin - can mean the difference between profit and loss, and they plan more days of protest.

With earnings of only 3.50 pounds per 100 pounds of sales, 'it is getting close to becoming a charity service,' said Kevin Hunt, who began the campaign.

'Our third boycott has been reinforced by Vodafone's announcement [on 22 July] that in the three months to 30 June 2008, Vodafone's revenue totalled 9.8 billion pounds - up 19.1 percent from a year earlier and in line with market forecasts,' said Hunt, who runs a convenience shop business in Lancashire, northwest England.

Hunt, who has posted a popular online petition against Vodafone, said small retailers were being unfairly targeted.

'Vodafone still expects to make operating profit of 11 billion to 11.5 billion pounds. However, they said their continued focus on cost cutting would mean that profits for the current financial year were still set to meet original forecasts.

'Do you really want to let them get away with small retail stores bearing the brunt of their 'cost cutting'?' Hunt said on his website.

With the convenience sector reportedly accounting for some 20 percent of top-up sales, Hunt has started to give away top-up cards from Vodafone rivals to existing Vodafone users in a bid to persuade them to switch.

'I am also looking at my business handset account, with the intention that Vodafone will not have my business in the future,' he said in comments that could adversely affect Vodafone's CEO Sarin, who is stepping down July 29.

Sarin's five-year tenure saw Vodafone's global customer base jump from 120 million to more than 260 million and returns to shareholders registering a rise of more than 400 percent.

Although Sarin has not commented on the campaign, Vodafone has promised not to cut the rates again for two years.

'It is part of a long-term strategy of investing in products and services and what we expect to see is

that it will boost sales [for the small shops] overall,' said Nick Birtwistle, head of channel partners at Vodafone UK.

*Dipankar De Sarkar ( © IANS / India eNews)*