

# Mobile Broadband Americas

## *Maximizing ARPU*

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# Six popular cost and growth carriers strategies

Cost-improvement strategies		
<b>Process Reengineering and automation</b>	<b>Enterprise-wide Strategic Sourcing</b>	<b>Next generation cost reduction</b>
Key tactics include Integrating systems, networks and functions.	Major cost-reduction opportunities can be produced by reducing external expenditures.	Reviewing the total cost structure and operating model can yield multi-year initiatives that drastically reduce costs.

  

Growth strategies		
<b>Customer-centric business models</b>	<b>M&amp;A strategies</b>	<b>Disruptive technology</b>
Improve growth by transforming the operating model to increase customer intimacy and leverage technology efficiency.	Developing synergies after a merger or acquisition offers benefits typically measured in billions, regardless of currency.	Replacing local access networks with high-speed fiber or wireless WiMax can produce a competitive edge.

Source: Adapted from A.T. Kearney

# Carrier Agility

*Focused mobile service providers have been able to respond quicker to changing demands than their incumbent counterparts*

- Incumbents have always wrestled with matching *breadth and depth* of their service offerings to achieve economies of scales. However, it is this process that has often undermined their agility.
- Emphasis on agility means that a carrier be in a position to respond quickly to customer demands and to adapt supporting processes seamlessly. For example:
  - *single number to call for service and product information;*
  - *ability to resolve customer concerns on the first call;*
  - *ability to support technically their products and services while also making these capabilities visible to call center representatives;*

***Customers using new handsets and services will count these issues among their overall carrier experience***

# A New Trend in Convergence

- Network convergence has truly been an area where communications has radically been re-invented over the last 10 years by adjoining the data, voice, and media pipes.
- But, also, another area in convergence is now emerging which encompasses *three sectors*. These are:
  - a. the content;
  - b. the distribution; and
  - c. the technology

Convergence among these three is now emerging as a predominant trend.

This area hints directly at new handset and applications delivery that carriers may offer their customers.

# Open Business Model

*For Carriers to retain agility and longevity in this emerging triple play, the need to adopt a so-called “open business model” is necessary*

- A convergence-driven open model also means that customers can be a source of monetizing value on areas such as:
  - innovation;
  - product development;
  - content creation
- Operational effectiveness also transforms into a reality of:
  - *who knows the customer best?*
  - rather than the traditional thought of who owns the customer?

# State of the Industry

*Consumer spending on wireless content is significantly on the rise.*

- 2004: wireless content revenues around \$12 million globally;
- 2005: Revenues multiplied to \$251 million.
- This alarming rate of growth not only supports the drive for this industry for product and services development, but necessitates carriers to consider the customer experience as a priority.

# Case Study in Customer Experience

## *Bharti Airtel of India*

- The most important differentiator for Bharti is two-fold:
  1. *to move towards a customer experience company*; and
  2. to move away from being a telecom company.
- Business model is based on per-minute revenues, not on ARPUs.
- Bharti is investing significantly in quality and is retraining all of its customer service staff.
- In the long-run, sustainable differentiation can come only from the customer experience.

*How well do you know your customer?*

*Thank you*

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