



Launch Your Digital Brand

Whitepaper

Researched by

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Abstract

Telecom operators are moving beyond connectivity and aim to provide **differentiated personalised offerings** to fulfil the ever-growing **demands of digital natives***. Telecom operators are rigorously making efforts to engage and interact differently with consumers in order to build great relationships with the digital natives at every touchpoint. This is done with the primary goal of increasing agility and becoming future ready by adopting a digital first approach to meet consumer expectations. However, they are **hindered by legacy telecom infrastructure, dependencies on traditional channels, and mindsets** that act as roadblocks.

Telecom operators are differentiating their consumer experience by **investing in digital channels and partnering with technology players** to transform consumer-facing operations. These initiatives are directed towards meeting the evolving consumer demands. However, they have not been able to achieve the anticipated benefits. The **traditional digitalisation journey has been challenging**, as most of the initiatives, such as adding a digital layer to the existing systems or updating the siloed systems/ software, have continued to underperform due to lack of a digital-first mindset.

This whitepaper provides key insights into how **telecom operators are creating an edge over their competitors** and building brand differentiation through innovation and agile infrastructure. It further highlights how these operators are **launching digital brands through a “clean sheet approach”** (refers to developing a system in a new environment), which helps them to achieve cost-effectiveness and lean operations with faster time-to-market, without carrying the legacy baggage of the infrastructure and cultural mindset. However, if the telecom operators choose to **launch digital brands independently on their own by adopting the “clean sheet approach”**, it will necessitate a **steep learning curve and significant resource expenditures** for planning, executing, and assessing the business model.

As a result, this approach opens the doors of opportunities for the telecom operators to partner with the right technology partners, to leverage their expertise and experience, in making the launch of a digital brand a success along with the telecom operators.


*Digital natives refers to individuals born around 1980 and onwards, who have grown up in the “digital age”. They are characterised by their comfort with digital technology, particularly the internet. Digital natives have a high level of digital literacy and prefer digital communication and information-seeking methods.

Introduction

1.1 Telecom operators: Reimagining future through digitalisation

The mobile telecommunications industry is experiencing a remarkable transformation, fuelled by technology advancements and widespread adoption of mobile devices. Streaming services, social media, and other digital platforms are becoming ubiquitous and integral parts of society. Consumers are using more data than ever before. At the same time, regulators are opening doors for new competition, and traditional telecom operators are being challenged by non-traditional players like technology companies and over-the-top (OTT) service providers, who are creating and capturing value with novel products and business models.

1.1.1 How is the market changing?



According to IPCisco.com, “**global mobile data traffic** will reach 282 Exabyte (EB) per month in 2027.”

As per Global Telecommunications Study 2022, a survey conducted by Simon-Kucher & Partners, “**50%** consumers prefer to buy data plans that include entertainment services, connectivity-related services, value-added services, and sustainability.”

Source: Asian Business Review

In 2022, heavy.ai, an analytics firm, reported that the “**cost of acquiring new consumers is up to 25 times higher than the cost of retaining them.**” This makes building consumer credibility, a primary imperative for telecom operators to reduce customer churn.

Source: heavy.ai

State of telecom operators: moving beyond connectivity

The evolution of the telecom industry poses both risks and opportunities to telecom operators.

Digital native consumers are using more mobile data than ever, but also have more options among data providers and communication tools. In order to successfully acquire new customers, retain existing customers, and boost revenue per customer, telecom operators must rethink how they create and deliver value to them. They must not only offer reliable and performant connectivity, but deliver seamless, and responsive customer experience to earn customer loyalty in an increasingly competitive environment. Additionally, at the same time, operators have an opportunity to create new revenue streams by leveraging existing customer relationships and emerging technology.

Technologies like 5G, Internet-of-things (IOT), artificial intelligence and machine learning (AI/ML) as well as cloud-based services have the potential to fundamentally transform an operator's business and operating models. They allow operators to offer new products on top of connectivity, personalise customer service and experiences, and to streamline cost structures and innovate at speed and at scale.

Change, however, is difficult. Telecom operators seeking to adopt new technologies and ways of working must navigate technical, operational, and cultural challenges that can make innovation and digitalisation initiatives complex, costly, and time-consuming.



Three Key Challenges: Know The Reality of Today's Digital Natives

Telecom operators' digitalisation roadmaps have been heavily influenced by three emerging and accelerating business challenges stemming from an operator's consumers, competitors, and the company itself.

- A **savvy, digital native consumer population** has emerged and is demanding more value and performance from their service providers.
- The **emergence of OTT players**, coupled with reduced mobile termination rates and increased number portability, has resulted in a loss of network revenue.
- **Legacy cultural mindsets**, operational processes, and technology have hindered operators' agility and ability to keep up with a rapidly changing consumer and competitive landscape.

Challenge #1

2.1 Rising consumer expectations due to shift in demographic trends

Leading consumer tech companies and brands like Apple, Google, Netflix, and Amazon are shaping and redefining consumer expectations, particularly for digital natives. These companies offer personalised, on-demand digital services and experiences that have normalised the expectation that customers can get what they want, when they want it, every time. According to Akta Tech, **“millennials prefer online platforms 105% more than watching on TV. Additionally, they spend an estimated 30 hours a month on social apps, nearly twice as much time than older generations”**.

While customers increasingly expect everything to be digital, instant, and seamless, they are not getting this experience from their telecom providers today. Signing up for a phone plan can still be a manual and time-consuming process, with many new customers required to visit a physical store to purchase a SIM card and

According to “Watch this space.uk”, “over a billion of Gen Z will join the global workforce by 2030 and by 2025, millennials will make up 75% of the global workforce.”

pass Know Your Customer (KYC) and credit checks. Manual SIM card activation and number porting processes can also result in long wait times and delays. Additionally, customer service issues are often handled manually, leading to long wait times, longer resolution times, and frustrating customer experiences.

⚠️ Impact on telecom operators ⚠️

By setting the bar for customer experience, tech companies have raised expectations for telecom operators. Operators, however, have been slow to respond and have lagged when compared to other industries in service and customer satisfaction. As regulators increasingly create space for competition in the telecom industry, and as digital-first technology companies innovate and create value and revenue on top of mobile connections, traditional operators risk losing wallet-share unless they adapt to changing business environment to meet consumer expectations.

Challenge #2

2.2 Overcoming technical debt and fostering innovation: Challenging legacy systems and traditional mindsets in the telco space

As technologies and customer needs continue to evolve, success is determined by an organisation's ability to invent and innovate quickly, operate efficiently, and transform customer experience.

According to study conducted by BCG as of March 2022, "more than 70% of enterprises fail to create any value from their digital transformation efforts."

Source: Financial Times

Traditional telecom operators, however, have struggled to reduce the technical debt created by their inability to update and enhance their legacy systems. While telecom operators recognise the need for change, legacy infrastructure, cost structures, cultural mindsets, business models, and operational processes make it complex, costly, and time-consuming for them to do so.

One of the underlying reasons why change is difficult for operators is the complexity

of their legacy systems. Many telecom players have been in operation for decades and have invested heavily in developing and maintaining their technology infrastructure. This has resulted in a patchwork of different systems that may not be compatible with new digital technologies. Additionally, these legacy systems may be rigid and difficult to modify, which can make it challenging to integrate new digital tools and support different product constructs, customer journeys, or internal processes. Furthermore, supporting and maintaining this patchwork of legacy systems is expensive and time-consuming, monopolising resources that could be spent on more productive activities.

According to a survey conducted by Capgemini, "62% of the organisations surveyed cited culture as the number one hurdle to digital transformation."

Source: Financial Times

⚠️ Impact on telecom operators ⚠️

Recognizing the limitations of legacy systems, many telecom operators are undertaking large-scale digital transformation initiatives to replace and modernise existing applications while adopting new technology. However, these programs require significant investments of time and resources, and are difficult to execute successfully. To realise desired returns on their investments and unlock the potential of technology, they must not only modernise their technology, but change deeply seated culture and operating models.

Challenge #3

2.3 Decline in traditional voice and messaging revenue due to rise in demand for OTT applications

Growing competition from non-traditional players has caused a decline in telecom voice and SMS revenue, which have traditionally been the backbone of telecom operator's revenue model.

Over-the-top (OTT) voice and messaging services, such as WhatsApp, Skype, iMessage, and Instagram, have disrupted the industry by providing free or inexpensive communication services and enhancing the experience with features like group chat and rich media.

As a result, core revenue streams have declined, and operators have struggled to compensate for these losses through data revenue or other value-added services.

Furthermore, the ease of number portability and reduced termination rates have led to the ease of customers to switch networks and search for the best deals, thereby, leading to the decline in revenue among telecom operators.

According to Juniper Research, "mobile operator voice market value will decline from USD 240 B (in 2022) to USD 200 B by 2026."

Source: Capacity Media Article

⚠️ Impact on telecom operators ⚠️

Traditional ways of making money will not sustain telecom operators in the future. To create and nurture new revenue streams, operators will need to innovate on top of the connectivity networks they provide to customers. Operators have seen some success with early attempts to bundle 5G with video streaming services, but more ambitious operators seeking to future-proof their business will look to reimagine their own business models, markets, and relationships to the broader ecosystem of mobile digital services.

Time to Realign Business Priorities


Telecom operators need to invest in revenue diversification, consumer experience, and infrastructure modernisation to overcome the persistent challenges of adapting to consumer expectations, defending themselves from the competitors, and navigating the hurdles of internal organisational changes.

80% of the telecom operators surveyed by Evalueserve, consider increase in revenue as their top-most business priority.

3.1 Diversify revenue streams beyond telecom services

Telecom operators have historically relied on monetising connectivity services. Moving forward, they can explore new avenues for generating revenue by building an innovation layer on top of their core network services. This can involve creating and offering value-added services, such as cybersecurity protection and hyper-personalised service recommendations to the consumers. Additionally, they can expand their product offerings and create new revenue streams by exploring opportunities in different industries, such as financial services and automotive sectors. By embracing these possibilities to drive innovation from within, telecom operators can position themselves to thrive in a rapidly evolving digital landscape.

Proprietary innovation is not the only avenue for growth in the telecom sector. Telecom operators can also capitalise on their millions of consumer relationships by forging strategic partnerships with prominent OTT players, such as Netflix and Disney. By leveraging their reach, data, and platform capabilities, operators can provide seamless and integrated digital experiences that combine both third party and proprietary services. This approach enables operators to create mutually beneficial revenue streams while actively participating in the growth of the OTT market, which Statista has forecasted to double and reach USD 210 billion between 2020 and 2026.



~98% of the telecom operators surveyed by Evalueserve, consider engaging the digital natives through CX platform a critical aspect to achieve high NPS.

3.2 Reduce consumer churn among the digital cohorts

Digital natives today prefer to engage with their chosen brands, including telecom operators, through multiple digital channels. They expect a responsive and seamless experience across touch points like social media, mobile apps, web, phone, and WhatsApp. Hence, telecom operators should invest in omnichannel communication capabilities to engage consumers through their preferred channels. By doing so, they can deliver a cohesive experience and maintain consistent service quality across multiple channels. Furthermore, these systems must be able to adapt and improve over time. Operators should be able to continually monitor and quickly enhance customer journeys and contact flows to keep up with the evolving demands of their user base.

Evalueserve's research indicates that ~98% of the telecom operators understand engaging digital natives through the CX platform is critical to achieve high NPS.

Some telecom operators are leveraging technology to transform their consumer interactions and communications at scale. For instance, AI-enabled consumer care platforms offer personalised digital self-service experiences. By empowering consumers to manage their accounts and resolve queries efficiently whenever and wherever they want, these platforms promise to improve consumer satisfaction while reducing the telecom operator's operating costs.

Telecom operators have taken multiple pathways to realign themselves with these business priorities, ranging from the digital transformation of core brands to the introduction of digital brands. One of the key routes adopted by them is the **‘launch of digital brands’**.

3.3 Drive agility by transforming the legacy infrastructure

Successful modernisation does not only require clear vision and commitment, but fundamental changes to a company’s infrastructure, cost structure, and ways of working.

Legacy infrastructure and processes were built to manage limited consumer touch points, product types, product launches, and data processing capabilities. The inability of legacy systems in being able to handle and use data in a meaningful way is a serious limitation for telcos. Additionally, the increasing competitive dynamics, legacy has become a bottleneck for innovation and agility. It can, for example, take two to four months and require large investments of resources (people and systems) to launch a new product.

By modernising the legacy infrastructure and adopting advanced technologies like AI/ML, advanced analytics for churn prediction, and cloud services, telecom operators can reduce technical debt, and unite disparate data sources into a unified data model and architecture. This will provide a holistic picture of the consumer, enabling telcos to make better-informed decisions and predict customer churn. They can automate manual processes, like consumer service, to reduce execution time and improve employee and consumer experience. Additionally, they can offer personalised experiences and real-time responsiveness that were not possible or viable before.

Finally, technology and practices like automation, DevOps, and cloud computing can reduce the time and cost to launch a new product from months to days or weeks. Reducing the effort required to build a new idea does not just improve agility, it reduces the cost of experimenting, learning, and iterating. By allowing a business to launch new ideas quickly and cost-effectively, and scale up or down as needed, infrastructure can become a catalyst for innovation instead of an inhibitor.

Telecom Operators Launching Digital Brands

Digital brands have become a popular approach to achieve growth and innovation in many markets, especially in Europe. By positioning themselves separately from the parent brand and targeting specific markets, digital brands provide operators with the opportunity to launch products and propositions that are distinct from the core brand. This approach can be leveraged for below reasons:



Overall, digital brands offer operators a flexible and effective means to achieve business objectives and drive growth.

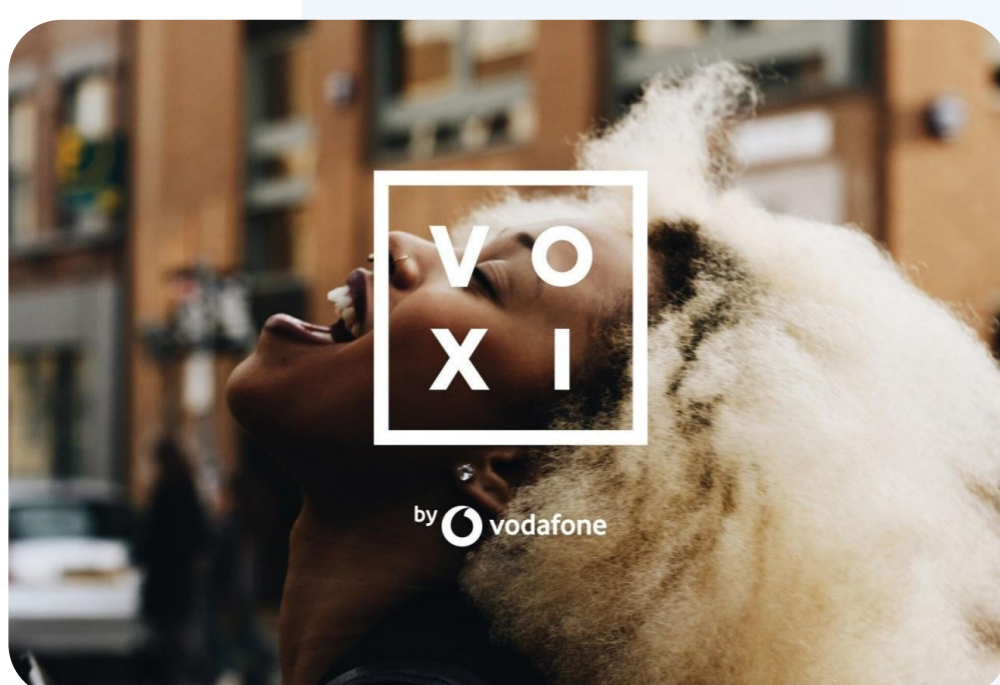
4.1 Regional analysis of digital brand activity

European Markets

In the early 2000s, deregulation of wireless markets in Europe led telecom operators to adopt a multi-brand approach to build market share among targeted consumer segments. They executed this approach by launching MVNOs targeted to these segments. According to GSMA Intelligence, there were 1,986 active MVNOs globally at the end of 2022, with Europe (1,012 MVNOs) contributing more than half of them (Source: Yozzo.com). Evaluateserve's research indicates players in these markets compete aggressively on price, with data plans that target consumers who need no-frills, affordable plans with flexible commitments.



Notable example of telecom operators launching digital brands



Vodafone

Vodafone released four digital brands (Lowi in Spain, ho. in Italy, VOXI in the UK and SIMon in Germany) specifically to attract young people through their cost-effective voice and data plans.



Telefónica

Telefónica launched multiple digital brands tailored to different consumer groups, such as giffgaff to attract tech-savvy customers, Blau and Fonic for those seeking more value for money, and AY Yildiz and Ortel which focused on the Turkish demographic in Germany.

MENA Markets

According to GSMA Intelligence, MENA (59 MVNOs) is contributing ~3% of the total MVNOs globally in 2022 (Source: [Yozzo.com](https://www.yozzo.com)). Over the last few years, operators have become increasingly focused on reaching tech-savvy, young consumers through digital brands. This approach allows them to attract new customers while avoiding brand and ARPU dilution of the main brand. Some operators are also using digital brands as a platform to test new, flexible BSS systems.

Recent examples

Main Brand	Digital Brand (launch year)	Target Segment
	ANA (2019)	Data savvy customers
Ooredoo	New Shababiah (2019)	Digital natives (need flexible plans)
	Yoox (2021)	Digital natives
Zain	oodi (2021)	Digital natives
	Jood (2022)	Prepaid Digital natives
Orange	Yoxo (2022)	Digital natives

North American Market

In the US, the telecom market is highly concentrated among the top 3 operators (AT&T, Verizon and T-Mobile hold 97% of mobile market share by subscribers as of Q4 2022). This makes it relatively less competitive than the other markets. Hence these operators prefer to present their main brands to consumers instead of new digital brands due to their scale and brand recognition. Additionally, Evaluesserve's research indicates, AT&T and T-Mobile do not have fully digital brands, rather they have opened only sub-brands (i.e., Cricket and Metro respectively).

In Canada, even though telecom operators have sub-brands, these are not fully digital brands as they have a vast network of physical stores spread out

over the region. This is mainly due to legacy technology challenges and channel conflicts such as sites are non-user friendly, payment issues and directing to offline channels to close sales. For example Rogers has 3 sub-brands Fido, Chatr, and Cityfone (all have retail presence along with digital focus). As a result, North American telecom operators have lagged behind other geographies in utilising digital channels to reach consumers. According to GSMA Intelligence, Americas (379 MVNOs) is contributing ~19% of the total MVNOs globally in 2022, which is low compared to European region.

Source: Yozzo.com



APAC Market

The telecom operators across APAC market are at different stages of digital transformation and follow varied strategies to realign as per their business priorities. Few markets are beset by low ARPU, margins, diverse government regulations, however few are experiencing the influx of digital brands.

Telecom operators based in the Indian subcontinent region are under immense pressure, due to volatile economic conditions (such as Pakistan and Bangladesh) and high operational cost (such as high spectrum cost in India). This prompts them to focus primarily on low cost digital transformations such as building super apps, adding a digital layer on top of legacy systems or bolstering its partner ecosystem etc. to maintain credibility of its main brand in the market. In Indian markets, leading players such as Airtel, Jio, and Vodafone are focusing on main brand

transformation by offering new digital services to enhance customer journey across touch-points. Telenor, a market leader in Pakistan and Bangladesh is also facing similar cost pressures, which is prompting it to focus on broadening its service offerings or partnering with industry players to increase penetration in the region.

However the telecom operators in the South-East Asian region along with South Korea and Japan have embraced the digital brand strategy, helping them to win over digital natives. The telecom operators in these countries focus on offering fully digital experience to attract digital natives and millennials. For example, Japan's KDDI launched povo2.0, Singtel has launched Gomo in Singapore, Telekomsel has launched By.U in Indonesia, and Celcom has launched yoodo in Malaysia as of the last few years.



To successfully and quickly deploy and operate a digital brand, many telecom operators are finding it advantageous to start from a clean sheet as a standalone operation, without legacy infrastructure and processes.

Charting The Right Path to Launch a Digital Brand

The clean sheet approach helps the telecom operators to launch the digital brand at an arm's length from the current main brand.

This clean sheet approach is a complementary strategy to the digitalisation journey of the telecom operators. It provides them the opportunity to restructure their IT infrastructure and re-evaluate their existing workforce to provide differentiated, on demand and personalised service offerings to establish their presence among the digital natives.

Additionally, it provides an option to the telecom operators to leverage technology partners to help them with the right expertise and resources required for its successful execution.

On the other hand, adopting a brownfield approach makes it difficult for these telecom operators to target the digital natives to generate new revenues,

without being hindered by legacy systems, processes, and culture.

Launching a new digital brand is about providing a superior experience to the digital natives. It helps build brand differentiation by launching personalised and on-demand service offerings, and will transform the way these operators interact with consumers (example: self-service portals, mobile apps, chatbots, WhatsApp and other chat apps, to name a few).

All this is possible through the launch of a digital brand with a clean sheet approach to provide differentiated and hyper-personalised consumer experience. This further enables the telecom operators to grow their market share and give digital natives what they really want.

Why plan for the clean sheet approach?

Bypass the legacy infrastructure and processes to enable lean operations

Plan GTM strategies for the launch of new service offerings to achieve faster-time-to-market


Deploy the new workforce and leadership that understands today's digital savvy consumers

This approach provides telecom operators a chance to deploy digital technologies (cloud-supported full stack BSS and OSS) and form a more modern and efficient consumer service model to provide a new age digital service.

5.1 Collaborate with the right technology partners


As telecom operators might lack the expertise to launch digital brands through a clean sheet approach, they collaborate with the right technology partners to help them with the expertise and skill set for its execution.

Benefits



Build leaner operations with unified digital telecom platform

Helps the telecom operators in implementing the digital telecom model in a cost-effective and efficient way to remove redundancies of the legacy infrastructure which a traditional telecom operator often faces.



Leveraging the right platform enabled by advanced analytics

Access to extremely rich contextual consumer data to understand their consumption patterns. This enables the telecom operators to provide personalised services and promotional offers through the right channels. They can leverage the insights through data-driven advanced analytics to ensure consumer delight.

5.2 Adopting a digital technology stack

The clean sheet approach creates an exclusive opportunity to implement the digital only model through a leaner and more modern BSS solution.

A new stack should focus on enabling the fundamental elements of a new digital operating model

- Low code solution that helps businesses and operations teams in self-servicing.
- Journey management capability that allows business users to configure journeys.
- AI/ML based recommendation and churn prediction for better and modern advanced analytics.
- Pre-configured customer journeys and templates that can go live quickly.
- An omni-channel model where the interaction mainly happens on an online channel, and the shop and call centre are optional or play a support role.
- Cloud-native technology enables the implementation of a digital operating model in a fraction of the time and investment required by traditional BSS and CRM providers.

As we discuss in the whitepaper about the rising expectations of the digital natives and the strategies implemented by the telecom operators to meet the expectations, there are certain key recommendations to these operators to successfully plan the launch of the digital brand and remain competitive in the market.

Recommendation to Telecom Operators to Build The Right Strategy

The telecom leaders will be defined by the ones who are proactive, risking short-term advantages to take hold of growth in new markets with a holistic approach to transformation.

As discussed earlier, launching a digital brand to cater to the growing needs of digital natives is not a new concept. But there are certain key recommendations that can help telecom operators to reimagine the approach for successfully launching a digital brand. *(next page)*

01 **Adopting a clean sheet approach with a modern technology stack and a new mindset**

Launching a digital brand with a modern technology stack helps in creating a new digital model that delivers substantial innovation focused on a specific consumer segment. It mitigates the shortcomings of legacy infrastructure that have been cobbled together over a long period of business evolution, and have proven to be extremely costly and slow. Furthermore, a new mindset enables the telecom operators to build the culture, business and technology skills to take full control over their digital futures.

By deploying a clean sheet technology stack, it helps in reimagining the business process so building a model that is easy to maintain and can accommodate quick changes can happen.

02 **Focus on superior consumer experience and faster time to market**

Given the rising needs of the digital native consumer, telecom operators can build their credibility by:

- Providing a superior omni-channel experience with end-to-end digital capabilities across the consumer journey.
- Building simplified and speedy operations that can accelerate the tasks with faster time to market from months to hours. Such tasks could include introducing new pricing plans or finding new ways for consumers to communicate with operators.

03 **Transforming go-to-market strategy by collaborating with industry players**

Building a digital first ecosystem enables telecom operators to streamline the operations -- not only internally but across customer facing operations as well. They cannot afford to fall back to legacy processes to fill digital shortcomings. The right technology partner can help them leverage the emerging technologies (AI, ML, advanced analytics) to meet the consumer expectations by re-defining service delivery models, by focusing on consumer centricity.

Partnering with Circles provides an opportunity to the telecom operators to win digital native mobile users with a digital brand backed by clean sheet approach and leveraging its unified digital telco SaaS platform.

Disrupting The Telco Industry With Circles

Circles has developed the world's first cloud native full stack digital telco SaaS platform that is equipped with pre-integrated martech, analytics, CRM and digital BSS capabilities. It powers Circles.Life, (its own consumer brand) and several other digital mobile brands across 15 countries globally. Coupled with the digital DNA and technological expertise to deliver a delightful digital experience to telco operators and their customers, Circles can help telcos launch digital brands in a matter of weeks.

Innovative Approach

A full stack SaaS platform that allows no code configuration, and provides continual upgrades for rapid time to market in a cost effective way.

Digital Expertise

Subject Matter Experts to help operators deliver high NPS and innovative digital experiences to users, through engaging applications that drives high ARPU.

Partner delight with features such as fast plan builder and hyper personalised marketing campaigns.

Delightful digital consumer experience enabled by:

- Engaging app with seamless digital onboarding and user friendly interactions.
- Integrated ecosystem enabling new business models.
- Insightful consumer data analytics that enable business actions.

Operator Experience

Operating own digital telco brand (Circles.Life)

Partnering with other digital mobile brands in a number of countries, such as:

- Partnering with **KDDI (Japan)** to launch **povo2.0** in Japan with a personalised user experience.
- Partnering with **e&** to launch **Onic** a digital telco youth brand.

Partnering with Circles provides an opportunity to the telecom operators to win digital native mobile users with a digital brand backed by a clean sheet approach and leveraging its unified digital telco SaaS platform.

Here are the details on how Circles partnered with KDDI to launch povo2.0, a digital brand in Japan to provide personalised experience to the digital savvy consumers.

As the second largest telecommunications mobile carrier in Japan, KDDI is a longstanding and trusted leader in the industry, known for high quality product offerings and services.

The opportunity

In 2020, new regulations to increase competition in the mobile industry provided KDDI with an opportunity to capture new business with the digital native generation.

The solution and a right strategic partner

Seizing the opportunity to innovate, KDDI looked to offer a new digital mobile experience and superior choice to the Japanese market. KDDI **recognised** that it needed to be able to quickly launch more flexible and personalised products to serve the digitally savvy Japanese mobile consumer. KDDI opted to take a “clean sheet” approach in launching a new digital brand, **povo2.0**, separate from its legacy systems to reduce operating costs and accelerate the speed to launch.

KDDI partnered with Circles, a digital telco technology company with the technology, digital expertise, and operator experience to launch povo2.0. with Circles, utilizing a full stack, cloud native digital telco platform. **povo2.0 was remotely launched from Singapore in just 16 weeks**, a first for a digital mobile brand in Japan. Featuring a freemium model, povo2.0 offered a 0 JPY base plan that allowed subscribers to create their own

personalised plans by selecting and purchasing their favourite “toppings” (ex. DAZN entertainment service). The Circles platform also enabled the povo2.0 team to launch new products and non-telco services within weeks, accelerating processes that would have typically taken months.

The impact

“I am delighted to have Circles.Life as our partner who have proven knowledge and capabilities to serve digital native users.....offering simple and agile service experience we were looking for”

Toshitake Amamiya, Executive Vice President & Representative Director

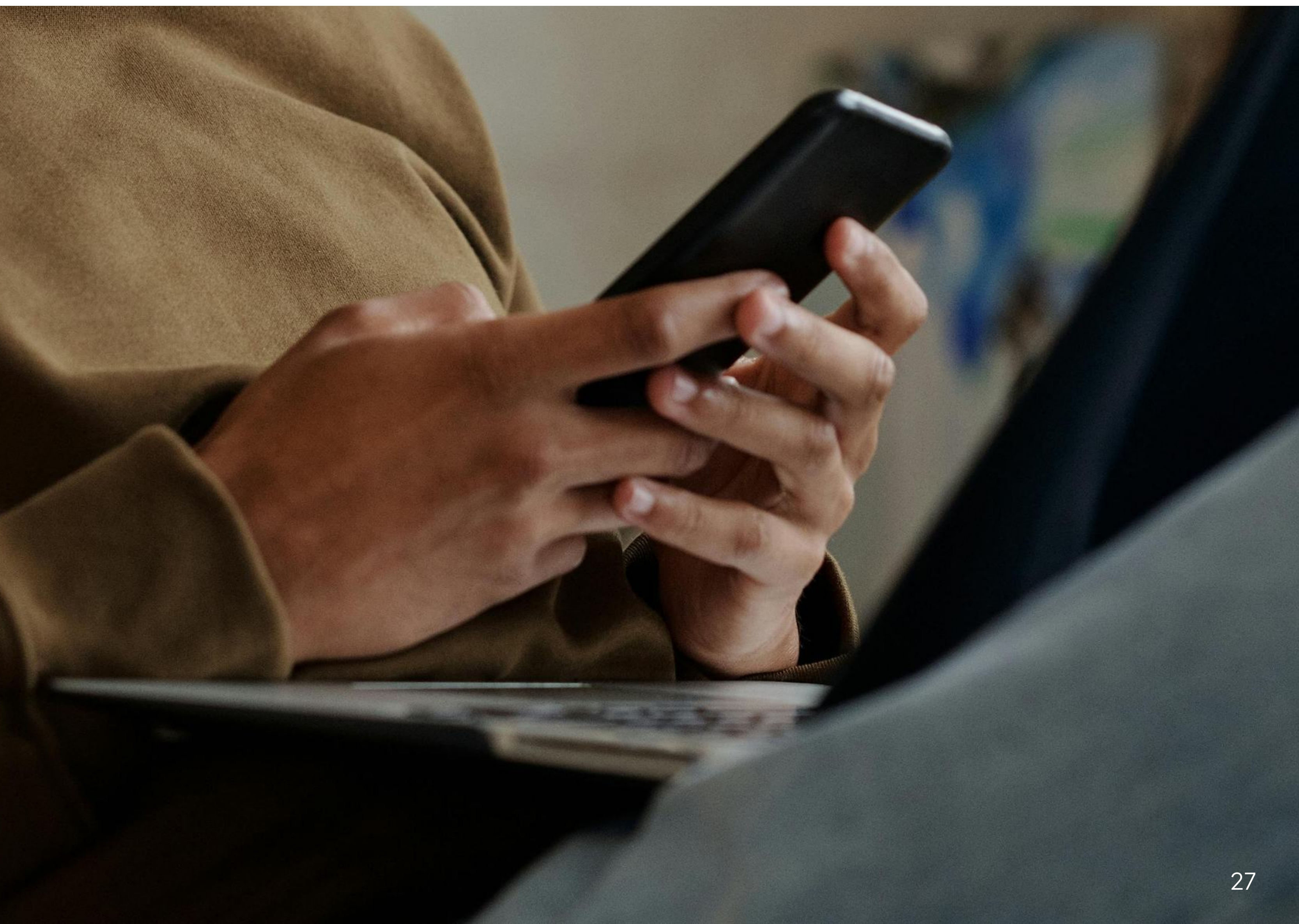
With the launch of Japan’s first 100% 5G digital mobile brand, KDDI’s povo2.0 has quickly become Japan’s most loved digital mobile brand. KDDI’s Net Promoter Score (NPS) – a key measure of customer satisfaction – is >50 points vs the competition. As digital native users continue to switch to povo2.0, the Circles and KDDI partnership continues to delight customers with superior digital experience and personalised services.

“... It’s not a short-term initiative. We want to build the initiative, and this will be the weapon, the ammunition for us... we want to increase our internal know-how and build on this.”

Makoto Takahashi, President, CEO
(KDDI earnings call referencing, 29 Oct 2021)

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Watch this space	“Want to recruit more Millennials and Gen Zs? Think About Workforce Diversity”
Yozzo	“At the end of 2022 there were 1986 active MVNOs globally”



Glossary

ARPU

It is the average revenue per user that an operator collects every month. This is a key metric to measure the health of the sector.

BSS systems

BSS (business support systems) allow telcos to manage customer-facing business activities such as management of orders, billing, customer engagement, revenue and new products.

Brownfield approach

A brownfield deployment is an upgrade or addition to existing infrastructure using legacy components.

Consumer churn

It is a key metric in consumer service which refers to the percentage of consumer attrition over a specific period.

Digital technology stack

It is a technology stack with a set of technologies that are stacked together to build any application/software.

Digital natives

Digital natives refers to individuals born around 1980 and onwards, who have grown up in the “digital age”. They are characterised by their comfort with digital technology, particularly the internet. Digital natives have a high level of digital literacy and prefer digital communication and information-seeking methods.

Digital transformation

Digital transformation is the process of using digital technologies to create new — or modify existing — business processes, culture, and customer experiences to meet changing business and market requirements.

Digital brand

These are fully digital native sub brands that do not operate physically and have all the operations online.

DevOps

DevOps is a methodology in the software development and IT industry. Used as a set of practices and tools, DevOps integrates and automates the work of software development and IT operations as a means for improving and shortening the systems development life cycle.

Gen Y/ millennials

They are the demographic cohort born between 1981 and 1996. They are internet empowered, tech-savvy, cost-conscious and strongly opinionated.

Gen Z/ post-millennial generation

They are those born between 1997 and 2012. They have grown up in a digital world and became accustomed to the advantages of technology driven devices.

GTM strategies

It is a comprehensive plan businesses use to bring a new product or service to market. Designed to mitigate the risk inherent in the introduction of a new product, a typical GTM strategy includes target market profiles, a marketing plan, and a concrete sales and distribution strategy.

Legacy cultural mindset

Unwillingness to learn and adjust to the new paradigm of technology advancement cultural attitudes.

MVNO

Mobile Virtual Network Operator

MENA

Middle East and North Africa

Main brand

Telecom operators

Net Promoter Score, or NPS

It is a business tool used to measure the loyalty of a company's consumers.

Over-the-top (OTT) voice and messaging providers

An over-the-top (OTT) voice/ messaging service is a service offered directly to consumers via the Internet such as whatsapp, viber etc.

Proprietary innovation

Proprietary technology refers to any technology or innovation that is owned by a company or individual and is protected by legal means, such as patents, trademarks, or copyrights.

Super apps

Super app is one app that can consolidate and replace multiple apps for customer or employee use and support a composable business ecosystem. It provides end users (customers, partners or employees) with a set of core features plus access to independently created mini apps.

Sub brand

These are the “digital second brand” strategy adopted by the parent telecom operators.

Time-to-market

Total length of time it takes to bring a product from conception to market availability.

Wallet-share

Wallet share is the average dollar amount that a consumer contributes to a particular brand rather than to competing brands in the same product category.