



Kyivstar's RBT case study – Achieving success through BTL Campaigns

Mariya Apanovich – 27.06.2007 Mobile World Campaign

Agenda

- About Kyivstar
- Why RBT?
- Service Challenges
- Marketing Activities
- Some figures
- Key Success Factors
- Next actions



About Kyivstar

Kyivstar is 1st mobile operator in Ukrainian cellular market!

- Experience on the market - 10 years
- Main activities: cellular communication
GSM 1800, GSM 900, GPRS/EDGE
- Coverage – all area of Ukraine
- Key success factors:
 - High quality of services
 - Accessible and simple tariffs
 - Social responsibility



About Kyivstar

Kyivstar's shareholders

Telenor company (Norway) has control stock - 56.52%

Nordic	Europe	Asia
Telenor has mobile operators in 13 countries		
For market information and key figures, select a company below.		
> Sonofon, Denmark	> Kyivstar, Ukraine	> Telenor Pakistan
> Telenor, Norway	> Pannon, Hungary	> DiGi, Malaysia
> Telenor Sweden	> Promonte, Montenegro	> DTAC, Thailand
	> Telenor Serbia	> Grameenphone, Bangladesh
	> VimpelCom, Russia	

Storm company has 43.48% stocks

При «Киевстар»

Kyivstar's brands



Contract subscriber and pre-paid customers



Youth pre-paid brand



Corporate clients



Pre-paid customers

Share of pre-paid subscribers: 94%

Share of contract and corporate subscribers : 6%

About Kyivstar

Kyivstar's portfolio of VAS

- **Voice:**
 - Friends&Family, Call forward, Call waiting, Call hold, Call barring, Conference call, Voice Mail, Push-to-Talk, International calls, Anti ANI, Twin SIM
- **Messaging**
 - SMS, MMS, E-mail
- **Payments:**
 - Credit Transfer, Call me Back
- **Location based services**
- **Browsing:**
 - WAP, Internet, WFI, WAP Cams
- **Entertainment and content:**
 - Ring Back Tones, Portals, Mobile TV, Cell Broadcasting
- **Business:**
 - Wireless PBX, Corporate VPN, Business Portal
- **Self care:**
 - Service management, Phone Backup

Why Ringback Tones?

Youth needs

- Self expression
- Differentiation
- Cool-fun service
- Music related services
- Diversity of services

Kyivstar's needs

- Keeping subscribers happy
- Innovative positioning – be 1st in market to launch the service
- A new revenue source – increase non Voice ARPU
- Attractive new subscribers

Need for Ringback Tone Service!

The solution: D-jingle!

- **Commercial launch: December 2005**
- **Target segments: Youth and young at hearts**
- **Communication Strategy: massive promotion of service benefits & how subscribers can get it**
- **Pricing model: registration fee: \$ 1.46 ; Content fee: \$ 1.46**
- **Content:**
 - **Content expiration - 3 months**
 - **Number of content items – 112 by the start and about 6 000 by now**
 - **Content type (by %) – 10% jokes, 40% Russian music, 20% foreign music, 30% local music**
- **Comverse Fun Dial solution was chosen; Distributed system**
- **Registration & Purchasing via: IVR, SMS, WEB & WAP**
- **Main Features: gift tones, copy, personal greeting, specific time based tones, specific subscriber based tones**

Service Challenges

Characteristics

New unknown service

Service users do not hear the music

Viral service - word of mouth

Challenge

- Increase service awareness
- Educate about features & usage
- Constantly remind the user about the service
- Encourage additional purchases
- Reach critical mass of users (~4% penetration) to get the viral effect working

Achieving success requires constant ATL & BTL promotion

Marketing Activities

Service launch with massive ATL communication

TV

Radio

Press

Internet



More than 100 000 subscribers in the 1st month from service launch

Marketing Activities

Constantly remind the user about the service and encourage additional purchases

- Each month:
 - SMS and MMS campaigns about new content for service customers
 - SMS and MMS campaigns about service for non-customers

Response rate ~ 20%

- Constantly:
 - Booklet with information about service in the start package
 - Leaflets with information about service and actual content with recharge cards
 - POS materials

Marketing Activities

National holidays and music events are occasions to remind about service

Up selling – sales to current users:

- Event content with reduced price.

Cross selling – attractive new users:

- 1st melody by the activation of service for free.

Number of service activations increased in 2 times and revenue increased up to 45% in Christmas campaign

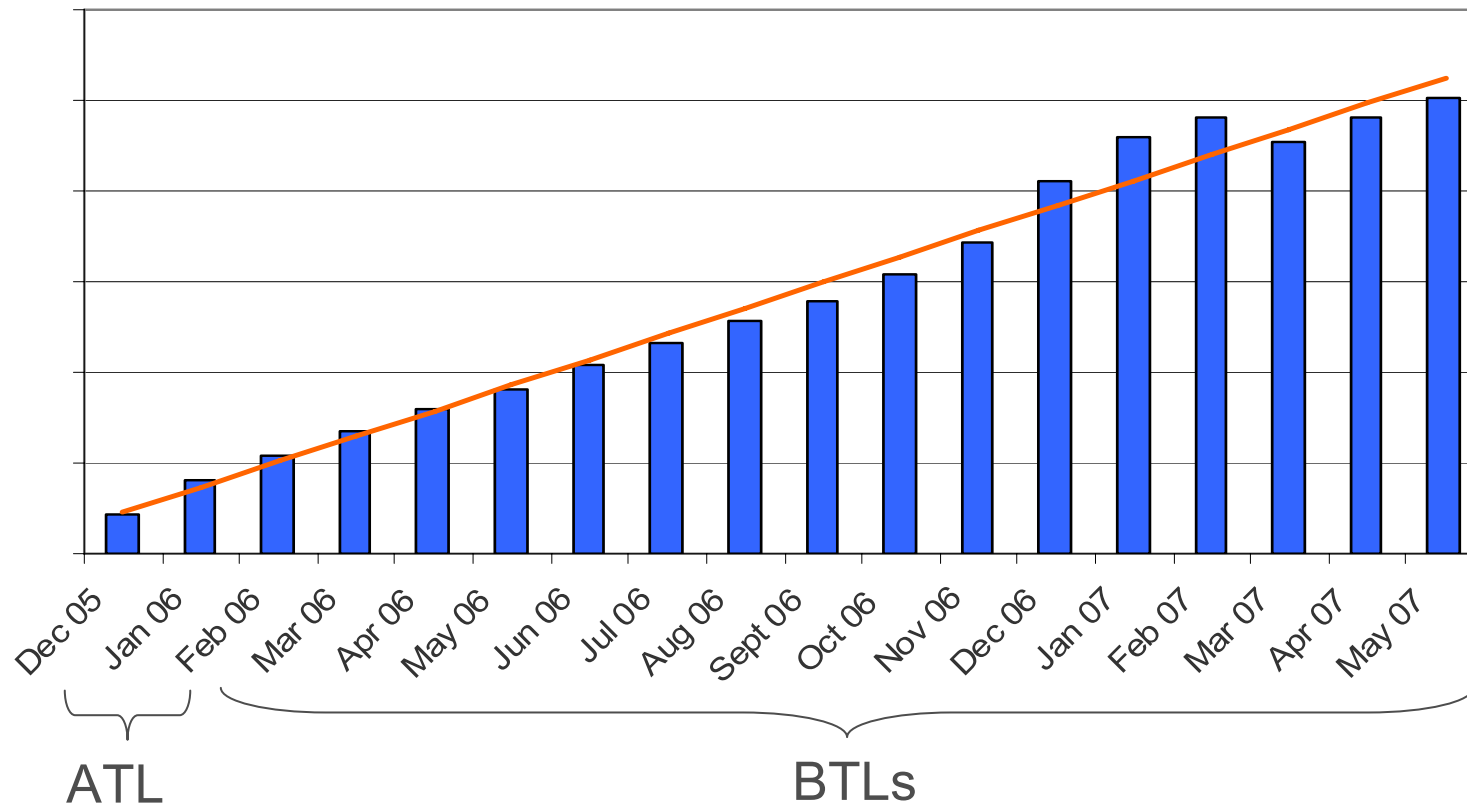
Content management

Kyivstar forms content proposal to meet 80% subscriber requests

- Several content providers propose content for the D-Jingle service
- Kyivstar's content manager chooses from proposed content which will be provided subscribers on D-Jingle
- The content should be:
 - Actual
 - Potentially popular
 - High quality

Service Status – Constant Growth

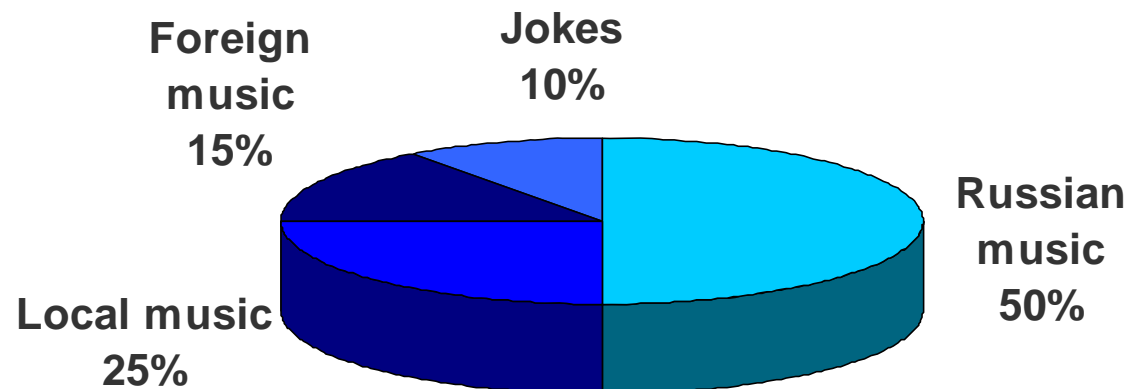
Number of users: more than 1 mln by this moment



Some Figures

Content sales

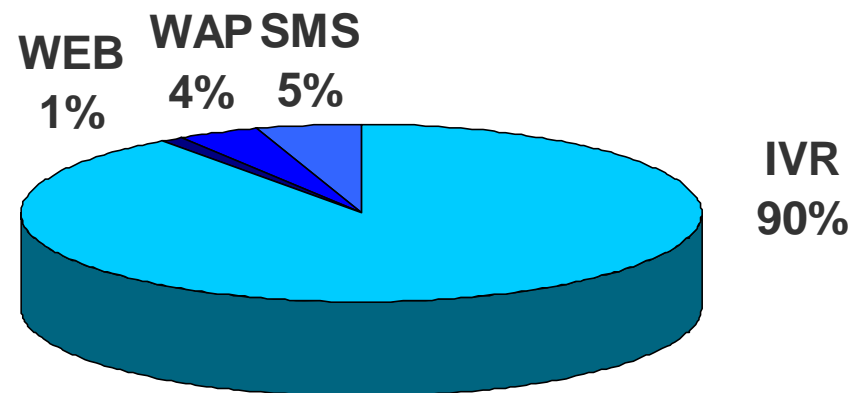
- Every month each 15 subscriber purchases new melody on average
- During up-selling activities number of purchases doubles 2,2 times



Some Figures

Different functions usage

- Customers which set specific time for playing melodies: 15%
- Customers which set different melodies for different subs: 10%
- Melodies share that was bought for a gift: 5%
- Copied melodies: 1%



Key Success Factors

- **Effective communication strategy**
 - Permanent below the line campaigns
 - Link D-Jingle to special events to effectively promote the service
- **Right segmentation** – youth segment was identified as the segment with the highest need for the service
- **Content quality:**
 - The most actual and popular content
 - 80% of customers requests are satisfied
- **Comverse' flexible Ringback tone platform:**
 - Functionality of service is interesting for customers
 - Service is easily accessible & noticeable in WEB & WAP

What's is next for D-Jingle Service?

- **Focus on high potential segments:**
 - corporate users – high potential segment: use D-Jingle service to promote Corporate brand
- **Tariffs optimization**
- **Service promotion program further development:**
 - Co-branding c with popular singer
 - Participation in TV and radio hit parades
- **Content development:**
 - Provide exclusive content
 - New type of content
- **Content providers access to platform improvement**
- **New service functionality**

Questions



Thank you!