

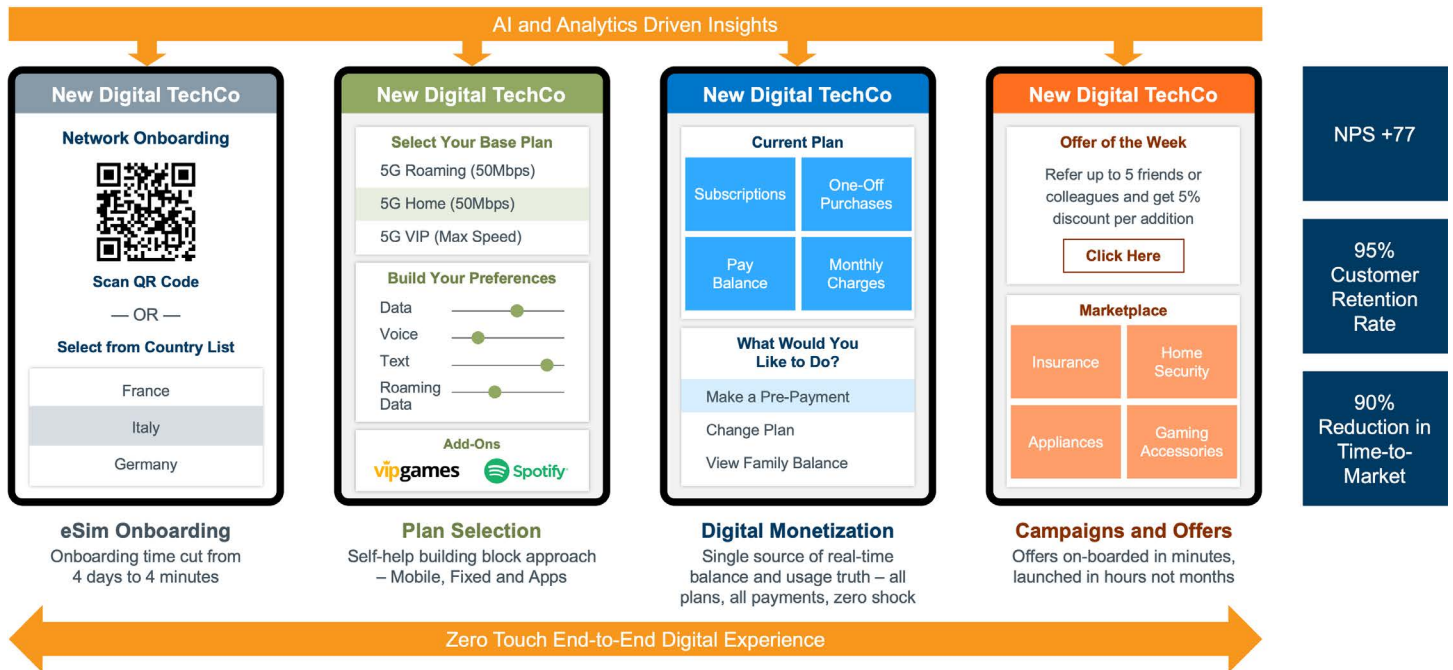
Accelerating the Transition to Digital TechCo

The tyranny of commoditization remains the single biggest threat to the telco commercial model. Driven predominantly by a lack of differentiation and a sub-optimal customer experience, the result is continued downward pressure on EBIT and revenue. A high cost-to-serve environment combined with an often glacial time-to-market compounds matters. Attempts to alleviate that trend through cost-cutting and service bundling have made little sustainable impact, while major capital investments in technologies such as 5G have, in most cases, yet to deliver the returns expected.

The result is poor Net Promoter Scores (NPS) and consistently high churn rates. Fundamentally, the growing base of digitally savvy and demanding consumers are being underserved.

A new North Star is needed. There must be a shift from an inside-out, network-first portfolio focus to a more agile, streamlined and outside-in, customer-first approach that is founded on the inalienable principle that *compelling digital experiences never commoditize.*

The success of techco business models has been built on the principle of “*simplification is the ultimate sophistication*,” which includes engaging their customers in an agile, consistent and transparent manner throughout their journey, removing friction and complexity from the buying process and becoming a true lifestyle partner. By putting the customer in control through a laser-like focus on delivering a best-in-class digital delivery channel, the net result is increased loyalty, advocacy and lifetime spend; therefore, giving the customer what they want, when they want it.



The MATRIXX-led solution delivers a compelling end-to-end digital journey for consumers, maintaining the principles of agility, consistency, accuracy and transparency in a zero-touch approach while negating the requirement for call centers or retail stores and keeping them within a compelling digital experience they control. MATRIXX Software has been an industry leader in digital consumer delivery models since the launch of the smartphone. With over 30 customers globally, supporting 100s of millions of consumers and executing \$ billions in transactions annually, the company has unmatched global experience. Customers reporting NPS scores of +77, consumer retention rates of 95% and a 90% reduction in time-to-market are testament to that model delivering sustainable success.

That model delivers digital excellence at four key stages of the customer journey:

- **eSIM Onboarding** — As the first touchpoint for consumers and one that’s crucial in setting the tone for how consumers will judge the brand journey to come, experience has shown that approaching this with simplification as the key driver can reduce onboarding times from four days to four minutes!
- **Plan Selection** — Enable customers to choose from a small number of foundational plan offerings and then tailor them through a concept of self-selected building blocks to their own lifestyle choice. Don’t force-fit; let self-determination be the overriding principle.

- **Digital Monetization** — Allow customers to choose the plan that suits them and how they would like to pay. If a customer wants a set payment subscription plan, let them have it. If they want a flexible pay now plan, let them have it. If they don't want a bill but prefer a digital receipt or invoice, let them have it. And if they want to change how they pay, let them.
- **Campaigns and Offers** — With easier onboarding and more flexible payment models, the opportunity for innovative up-sell and cross-sell offers becomes compelling. Whether it's exciting group-discount referral offers or "super-app" marketplaces, combining a seamless digital experience with increasingly AI and analytics-driven insights creates a frictionless commercial engagement model.

Progressive telcos can upsell closely linked ICT offers, such as online gaming equipment or home security, as examples, combined with the ability to seamlessly onboard third parties with offers from outside of the telco/ICT domain into the online marketplace. That could include travel insurance for mid to high-volume roamers and home appliance offers for the broader base. This "super-app" approach could be a key strategy in deepening brand stickiness, relevancy and accelerating growth.

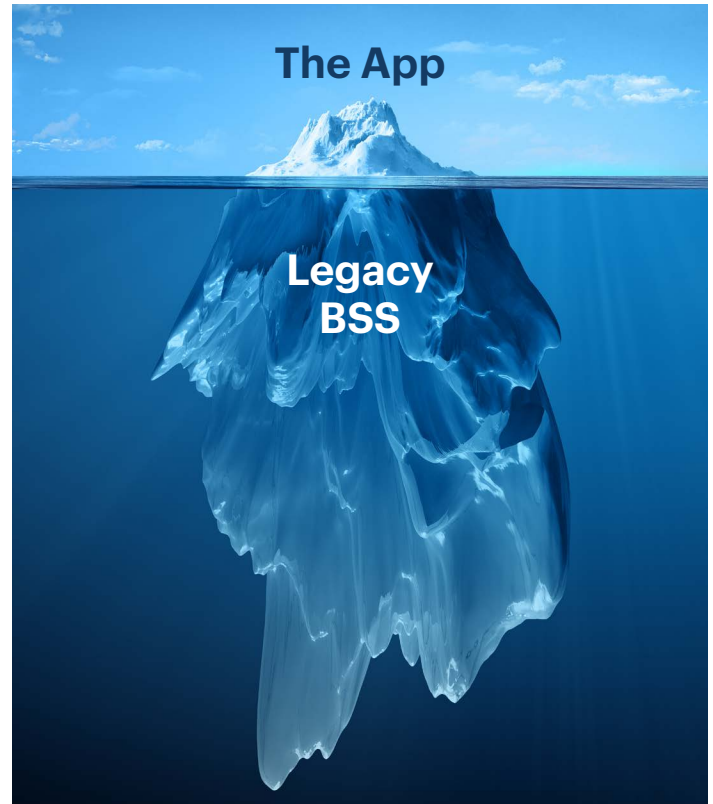
Telcos that are looking to transition themselves to a digital techco delivery model are approaching the deployment of that model in one of three ways:

- **Digital Offering** — Using the same main brand equity but deploying a "digital twin" brand offering alongside the main brand that's focused on excellence in digital delivery appeals to a significant portion of the demographic. The main benefit of this approach is the opportunity to deliver a new market entry tuned to that demographic and to test out new market approaches. As numbers build, offers can be created to migrate existing brand users to the new digital twin.
- **Digital Brand** — Launching a whole new brand and separate organizational group that standalone both operationally and commercially from the main brand. Sometimes called a flanker or b-brand offering, the main benefit of this approach is the freedom and agility to develop and deliver an offer from scratch without the organizational bloat or legacy perception of the main brand.
- **Digital Transition** — Incrementally transitioning a main brand offering to a digitally enhanced offering via compelling upsell and re-positioning messaging and commercials. This drives costs and complexity out of the foundational delivery model and enhances its digital capabilities. The key benefit here is being able to expand a brand and offering that consumers are familiar with.

Addressing the Iceberg Challenge

Building out the right digital infrastructure to enable a smooth transition to a digital techco-style offering is crucial. Executing a best-in-class digital offering that drives the loyalty, advocacy and increased lifetime spend outlined won't be achieved on legacy BSS systems or processes that were designed for a completely different era. The demands of the digital decade ahead require operators to quickly re-think how they will bridge the gap between remaining a commoditized telco brand or becoming that digital techco.

For expediency, some operators have attempted to launch an app into the market that utilizes the existing BSS stack and call it a digital offering. This "veneer" approach is fundamentally flawed. Like an iceberg, 90% of the problem that prohibits operators from becoming true, digital techcos is hidden under the water and lies within the back-office legacy BSS infrastructure. The app is little more than 10% of the overall issue. Complex and isolated data silos, proprietary systems, lengthy development cycles for adds and changes, glacially slow time-to-market and a troubling high cost-to-serve are the fundamental legacy BSS challenges that can only be addressed through a digital refit of that infrastructure.



Case Study — Digital Leadership and Strategy

A leading Tier 1 operator within Europe faced the challenge of an incessantly competitive market and sought new ways of differentiating itself to grow its commercial position. They chose a path of digital disruption — a focus on serving an increasingly digitally savvy customer base with a breakthrough approach. In doing so, they were the first operator in their country to launch such an initiative, which has now become a benchmark for other companies within the larger group.

With end-to-end digital onboarding and 100% subscription-based offers, this operator created a model seen more commonly outside the telecom sector. Breaking from telco traditions, eliminating the complexities of postpaid

contracts and the restrictions of prepaid options gives customers full control through a mobile app. Its customers manage every aspect of their account and journey — from joining to purchasing add-ons and offers. Adding fixed network services such as home broadband to the service further expands its appeal.

The results have been impressive. The digital offering has attracted net new customers looking for app-based self-service and quick activation via eSIM. Customer loyalty has soared, with 30% of new customers coming from referrals. The brand has also received excellent app store ratings and boasts high Net Promoter Scores (NPS) and low churn rates.

A Call to Action

The MATRIXX Software team has accumulated 100s of years of telco to digital techco transitioning experience across the globe. That experience gets called on regularly by MNOs, MVNOs and converged operators to build out and execute digital delivery strategies that help operators drive sustainable, differentiated commercial success in their markets.

That team stands ready to help! MATRIXX Software offers an initial meeting with key operator executives to

formulate a jointly developed and integrated business/technology strategy that builds on the operator's current position and local market conditions to accelerate a successful transition to a digital techco business model.

That teaming of in-house commercial and technology teams' local market and technology knowledge, in conjunction with the MATRIXX Software team's rich experience in delivering best-in-class digital techco transition projects, represent a win-win combination.

About MATRIXX Software

MATRIXX Software delivers a modern converged charging and digital monetization solution proven at scale. Global operators like Telefónica and Telstra, IoT providers like Tata Communications and network-as-a-service (NaaS) providers like DISH rely on the platform to overcome the limitations of traditional Business Support Systems (BSS). With MATRIXX, service providers can rapidly configure, deploy and monetize personalized, innovative offerings. Its cloud native platform delivers accurate, real-time information that improves customer engagement. MATRIXX enables commercial innovation and real-time customer experiences that drive revenue and growth opportunities across multiple markets.

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