

# STOP DIFFERENTIATING ON PRICE

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How MVNOs can stand out from the crowd  
and start delivering a personalized subscriber  
experience

I love great stories about transformational leadership in the telco space. We're starting to hear more of them now that industry leaders are realizing how valuable a move to the public cloud can be. But my favorites are about companies that took bold steps early on, like UK mobile virtual network operator (MVNO) giffgaff.

Way back in December 2020, giffgaff announced it was going all-in on the public cloud, handing all of its technology infrastructure and application development to Amazon Web Services (AWS). giffgaff isn't new to visionary thinking; it's been winning awards since 2010—for innovation, for being the best MVNO, best telecom services provider, even best network. Since the AWS announcement, it won Uswitch Network of the Year 2021. A few months later, it was number one in the UK in mobile customer satisfaction according to Which?, a consumer advice organization that has continued to recommend the MVNO ever since. It basically rocks all things telco in the UK.

When industry pundits heard about giffgaff's AWS plans, they said it was crazy to "sell its soul" to a third party. But was it? The move is a success story because public cloud technology is perfect for MVNOs. Let me tell you why.

## MVNOs race to the bottom

When your product is based on someone else's product—in this case, the mobile network operator's (MNO's) network—it's a tough spot to be in. MVNOs are not in control of the network, and it's not their job to improve it. That's why many MVNOs try to differentiate on price, in what has become a race to the bottom. Competing on price turns the greatest product on earth—the network and all its glorious data—into a commodity.

Everyone is offering the same basic service for a lower and lower price. It's the *opposite* of differentiation.

Instead, MVNOs should ditch the pricing games and stand out from the crowd by delivering excellent, personalized, subscriber experiences. It's easier than ever to do that because there are telco tools being built with public cloud technology.

## Focus on the end customer

The big MNOs may have huge subscriber bases—but they also have terrible net promoter scores (NPS). They own networks, but use antiquated client/server software built on last century's technology. They are enterprises with a ton of talent—and filled with bureaucracy and processes that entrench the status quo. Why are you trying to be like them?

Instead, you need to be like an internet company. Internet companies have small teams that move fast and turn on a dime. They have virtually zero infrastructure. They use the latest and greatest technology to beat established players that lumber along with old, outdated systems.

What sets apart the **most successful internet companies**—and attracts customers in droves—is the highly personalized experience they offer. **For example:**

# Uber

- Uber knows exactly where I am in any city in the world, and can summon the nearest available car to pick me up and take me where I need to go;



- Spotify finds new artists for me based on other people who enjoy the same music I like;



- Similarly, Amazon is constantly recommending products based on what I've browsed and bought in the past, and what other people with similar shopping histories buy; and



- When I walk into an Apple store, the app knows I'm there to pick up an order and instantly notifies someone to fetch it for me.

Customers love it, and it brings them back again and again. These companies have customer loyalty numbers that are through the roof. This is the experience MVNOs should be emulating!

With all the data we have—about the network, and about how subscribers use their devices and how often—there's no reason telco can't do it, too. And we can do it better. We know if subscribers are streamers, gamers, texters, or TikTokers. We know if they're golfers, scuba-divers, or soccer moms. We know when they travel. We know where they go. This kind of data, when used right, can be used to deliver tailored, timely offers that increase satisfaction and drive up average revenue per user (ARPU).

So far, MNOs haven't been able to do this. They're too busy building and operating their networks.

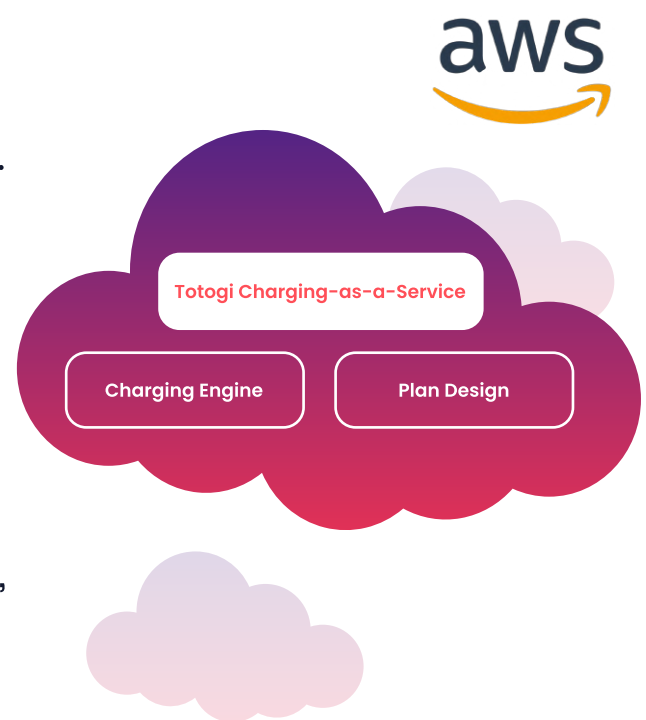
They're still trying to figure out how to bring their legacy IT technology into the 21st century, trapped under tons of customizations and loads of technical debt.

Luckily, MVNOs don't have these problems. It's time to ask yourself: Why are you trying to be like a telco? Instead, use your small size, wealth of subscriber data, and freedom from bureaucracy and outdated technology to create better, more personalized experiences for your subscribers.

## Meet Totogi's Charging-as-a-Service

To be able to personalize experiences for subscribers, it all starts with charging and plan design. I'm the acting CEO of an exciting SaaS startup called **Totogi**, where we are building a public cloud-based **business support system (BSS) enhancement platform** to help you do everything I've been talking about, but especially to help deliver personalized experiences to your subscribers.

Totogi's **Charging-as-a-Service** is built on AWS, so every time AWS improves one of the services we sit on, we get a free upgrade. It's the same with our charging platform.



It's also a service, so whenever we post an update, all of our customers get it simultaneously and instantly.

Totogi, like a lot of cloud-based business tools, has a free tier, so you can try it with zero risk. We also have a super easy plan design system and an awesome engine. But what really sets us apart is the ability to personalize. We use machine learning (ML) and artificial intelligence (AI) to identify ARPU-lifting opportunities to tailor an individual's plan based on their individual habits—and automatically create a new plan using powerful APIs. The future of BSS has arrived. It's personalized, and it's a game-changer.

## Why now?

Until now, it's been prohibitively expensive for MVNOs to get anything like this from any BSS vendor. An installation from Amdocs, Ericsson, or even a smaller player costs millions to tens of millions to install and maintain. For MVNOs with thin margins, that high price tag, plus the months required for implementation, have historically added up to an unsolvable equation.

But the public cloud, along with cloud-based tools like Totogi, changes all that. It democratizes technology, giving you world-class software at a price you can afford, with the ability to scale and pay as you grow.





It also lets you experiment and bring new ideas to market fast, and you don't need an IT team to manage it.

You don't have to settle for less anymore. You can plug into the public cloud and modernize your offering, personalize the subscriber experience, build loyalty, and drive up ARPU. That's how you become an internet company. That's how you get to number one in customer satisfaction and not only crush the competition, but actually reduce your churn and grow your ARPU.

## About the author



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**Danielle Royston** is Founder and CEO of TelcoDR and the acting CEO of Totogi. She has 25 years of enterprise software experience – the last 10+ as a CEO specializing in turnarounds. As telecom's leading public cloud evangelist, Royston has raised \$1Billion to fundamentally transform telco software, propelling the industry to new heights with the power of the public cloud. Widely recognized as a thought leader, Royston has been asked to speak on some of the biggest stages in the industry and featured in numerous publications. She resides in Austin, TX, and holds a B.S. in computer science from Stanford University.



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