



Customer Success Story

MTN GROUP

South Africa



Customer Profile

MTN is a leading provider of communication services. Offering both mobile network and business solutions. Launched in 1994, the MTN Group is a pre-eminent mobile operator, active in the emerging markets of Africa and the Middle East. Operating mobile networks in 21 countries, it serves in excess of 80 million subscribers.

Website: www.mtn.co.za

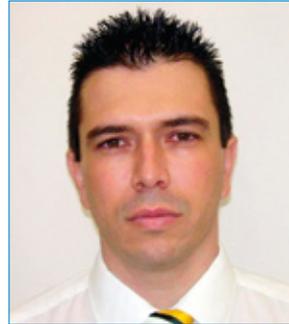
DYNAMIC DUO

MTN leads the way with the world's first mobile Dynamic Discount Solution

Revolutionizing the South African pre-paid market, MTN and Ericsson co-developed MTN Zone, offering up to 95 percent discount on all MTN network voice calls. As the leading mobile operator in Africa and the Middle East, MTN sought to develop a solution that would set it apart from competitors in South Africa and counter congestion problems on the network by flattening peak voice traffic. The solution would change customer calling patterns, influence peak and off-peak traffic balance as well as offering consumers more affordable mobile phone tariff options. The overall aim of this project for MTN was to maintain revenue, while improving network utilization and voice quality.

“ MTN Zone is truly a world first and a revolution in billing methodology and technology.”

Edwin Bologna,
Senior Manager Payment Systems, MTN South Africa



MTN pre-paid subscribers were offered a discount incentive of up to 95 percent when calling on the MTN network during periods when network capacity was under-used. Consumers who were prepared to change their calling behavior and willing to be flexible about the time they made a call benefited from the discounts, resulting in a more evenly distributed volume of calls across the day. Edwin Bologna, Senior Manager Payment Systems, MTN South Africa comments: “MTN Zone is truly a world first and a revolution in billing methodology and technology. It is one of the most innovative products in the global telecommunications industry since the launch of pre-paid itself. MTN Zone was co-developed between Ericsson and MTN South Africa. Ericsson was the lead technology partner and systems integrator in the project, coordinating and integrating the development from both organizations into a seamless turnkey end-to-end solution.”

Ericsson delivered a multimedia solution, providing hardware, software and operational services. Edwin Bologna explains: “The MTN Zone concept was thoroughly tested in Grahamstown, South Africa to verify the technology, financial feasibility and customer satisfaction levels. Even at that early stage, it was clear that the solution would succeed in creating value for MTN customers and held the potential of further penetrating the lower-end market segments. MTN has also benefited from improved levels of revenue and tenure.” Grahamstown offered a controlled environment for testing user behavior and the results showed a mix of reactions that were reflective of the South African market. Based on the success of the project MTN South Africa enhanced MTN Zone further by extending the discounts. This widened the appeal of MTN Zone, allowing MTN Zone consumers to make discounted calls on all networks.

The introduction of MTN Zone has brought a number of successes; MTN South Africa has achieved increases in

call duration and call count as well as boosting revenue and subscriber numbers. There has also been a reduction in churn on the existing MTN Zone base. Marek Busfy, Director Multimedia, Ericsson comments: “The mobile communications industry is still young in Africa and the Middle East and so is the concept of discounts for mobile telephony. MTN Zone serves to segment the market with the introduction of discounts. Mobile telephony has become more accessible to the low-end market and the overall value for the consumer is significantly increased.” The figures show an impressive set of results: 10 months after launching in South Africa, 4.5 million subscribers had migrated to the service. Since then MTN Zone has attracted a further 2 million consumers, with a total of 6.5 million on the base. This constitutes over 55 percent of MTN's pre-paid revenue. In the year since its introduction in South Africa, MTN Zone has been rolled out across 11 more of MTN's 21 operations.

Overview

Customer: MTN Group South Africa

Customer Objective

- **Improve return on capital / increase network utilization**
- **Increase in subscribers, revenue and profit**
- **Increased tenure, call count and call duration**
- **Flattening of peak traffic times**

Ericsson Solution

- **Dynamic Discount Solution**
- **Multimedia solution including end-to-end hardware, software and operational services**
- **Systems Integration**

Customer Benefits

- **Flattened peak traffic times, increased service quality**
- **Increase in network utilization and profit**
- **Reduce churn and attract new subscribers.**

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