
Retailers & MVNOs

Opportunities for Retailers in the LATAM region

POINT OF VIEW

May you require further info, please contact:

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INTRODUCTION

NEREO presents the following document to **highlight the opportunity** to retailers in the LATAM region to become MVNOs

- NEREO has extensive experience in assisting clients to achieve their MVNO objectives. Based on this experience, we have analyzed how retailers can develop the opportunity that the MVNO business offers to them
- Retailers have great assets for an MVNO business and can create substantial value by leveraging on synergies between their existing capabilities and mobile telecommunication services propositions
- Retailers can dramatically increase the uptake of their products and services in the target market segment by launching an MVNO
- Finally, this document is intended to provide a high-level understanding and show the attractiveness of the MVNO proposition for those candidates which come from the Retail Distribution space, including the Telecom subsector

RETAILER MVNOs

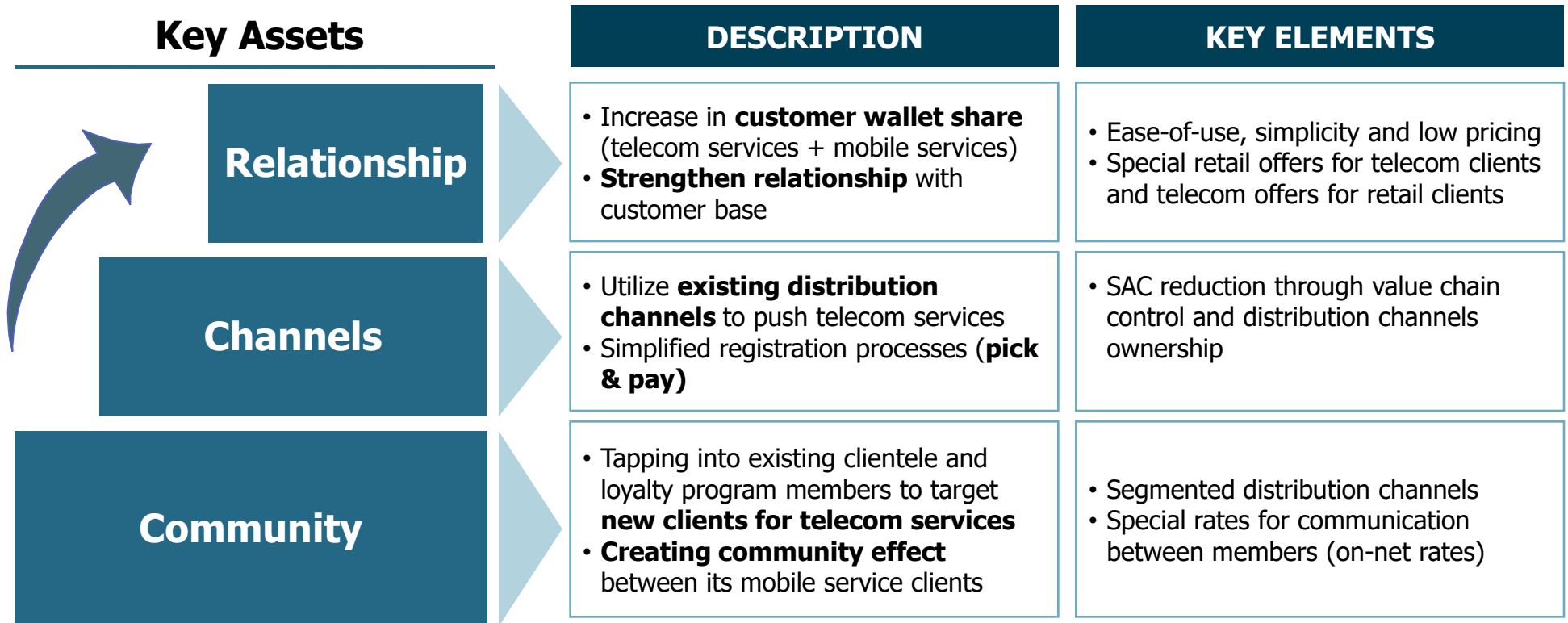
TELECOM RETAILER MVNOs

RETAILER MVNOs IN LATAM

RETAILER MVNOs

Leveraging Assets

Retailers can **leverage on their existing assets** to improve the delivery of mobile telecom services to their existing customer base

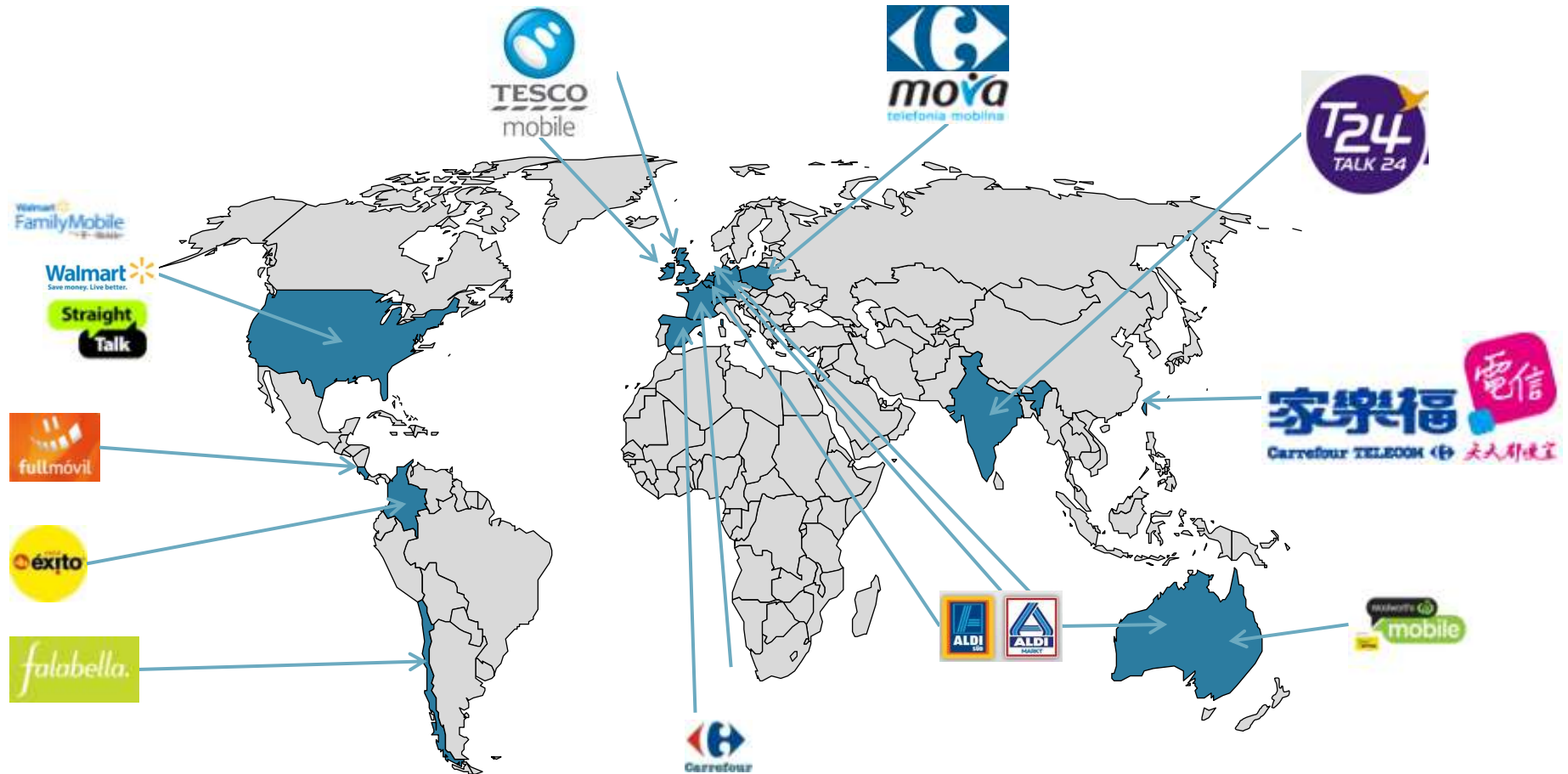


Retailers have two key assets to run a successful MVNO business: existing distribution channels and strong relationships with clients

RETAILER MVNOs

Worldwide

Some retail distribution groups have launched MVNOs **worldwide with different degrees of integration with their core businesses**

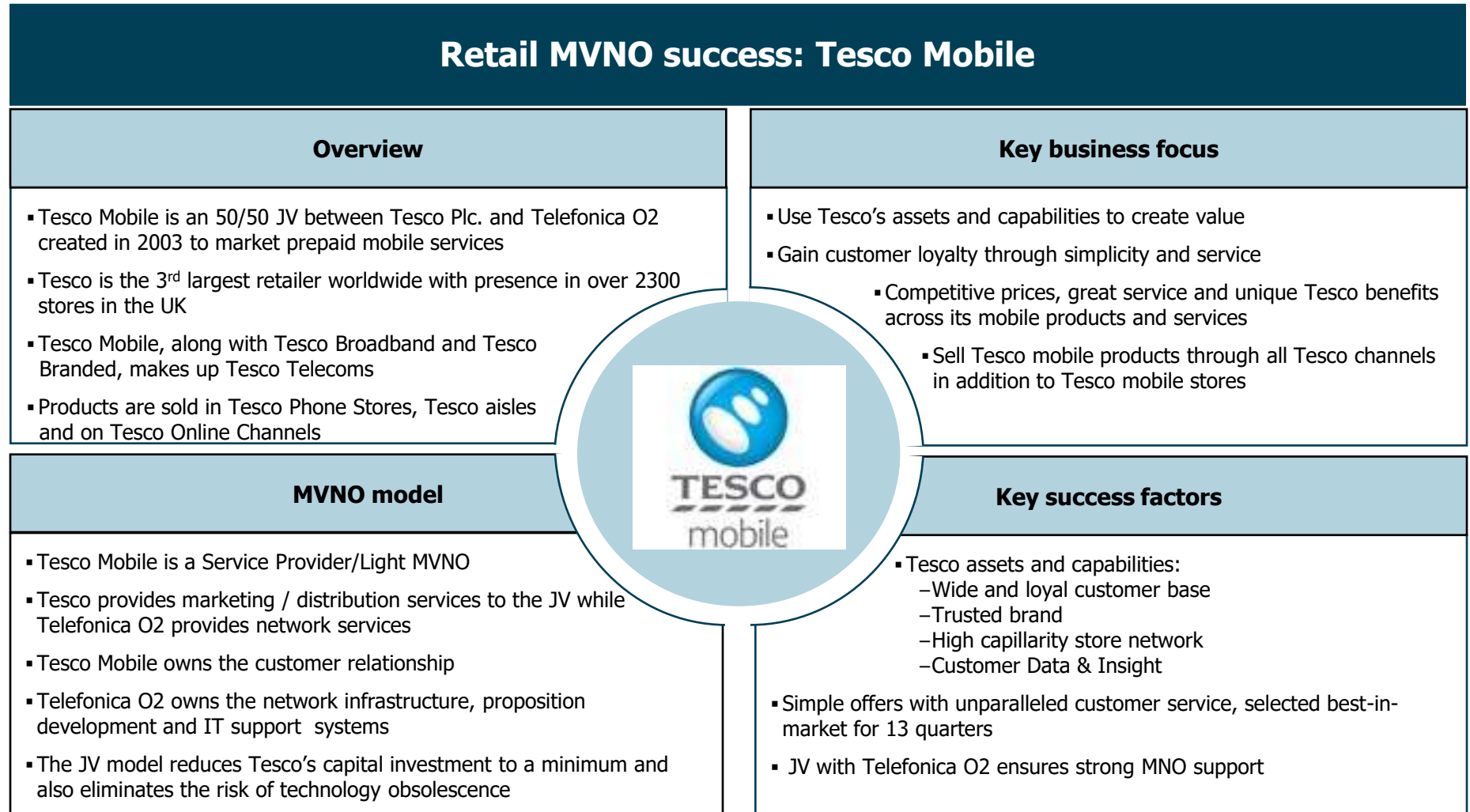


Some retailers have launched MVNO businesses in multiple countries where they own distribution operations

TESCO MOBILE

Value Proposition

Tesco Mobile has successfully leveraged its customer relationship in the mobile business



Source: NEREO analysis

TESCO MOBILE

Partnership Highlights

Both partners (Tesco and Telefonica O2) have an equal stake in the Joint Venture



- Leading UK mobile operator with over 27% market share
- Extensive Mobile Network Infrastructure in the UK
- Provides access to its mobile network at lowest possible prices
- Provides proven customer management systems
- Provides both the technical and regulatory telecom expertise
- Jointly determines commercial offers and products & services



- Leading retailer worldwide
- Over 2400 stores in the UK leading to over 30% market share
- Provides its extensive distribution network to the Joint Venture
- Offers access to the wide customer base of its loyalty program
- Extremely strong brand associated with value provides differentiation capability to the Joint Venture
- Jointly determines commercial offers and products & services

Tesco mobile owns the customer relationship and leverages on the partners' respective strengths

RETAILER MVNOs

ALDI TALK

ALDI TALK has been able to reach over **5 million customers in its initial years** sticking to its core guiding principles of **simplicity & low-cost**

Website

Jetzt als Option buchbar: DIE FLATRATE SENSATION
Für alle BESTEHENDEN UND ZUKÜNFTIGEN ALDI TALK-KUNDEN: Einmalig 14,99 € Guthaben bei der Aktivierung!

INKLUSIVE: Gespräche zu ALDI TALK¹
Gespräche ins dt. Festnetz²
SMS zu ALDI TALK³

PAUSCHAL 14,99 € (12 Monate)
Minimale Laufzeit: 12 Monate

14 € Guthaben bei der Aktivierung

Gespräche/SMS in andere dt. Mobilfunknetze⁴

WICHTIGES INFORMATIONEN:
Die Vorteile des FLATRATE sind nur bei vollständiger Aktivierung des Mobilfunktarifs, Prepaid-Karte, Einzahlung und Nutzung zu realisieren. Nach Ablauf 12 Monate ist der FLATRATE-Preis von ALDI TALK⁵ fällig.

1 Nutzung Netz: Die erste Minute wird kostenlos berechnet, danach werden je nach Anbieter unterschiedliche Preissätze für Minuten, Anruf und SMS berechnet.
2 In das deutsche Festnetz 30 Tage, bei ALDI TALK Flat Rate nur ab Samstag/sonntags/Feiertags (bundesweit) oder nur ab Samstag/sonntags/Feiertags (bundesweit) nutzbar.
3 Nutzung Netz: Die erste Minute wird kostenlos berechnet, danach werden je nach Anbieter unterschiedliche Preissätze für Minuten, Anruf und SMS berechnet.
4 In alle anderen Mobilfunknetze²
5 Mailbox²

Rate plans (Prepaid, simple)

Ihr Mobilfunk Prepaid-Tarif

Keine Grundgebühr	Keine Vertragsbindung¹	Einfacher Tarif Rund um die Uhr²
--------------------------	--	--

Inlandsgespräche

Telefonieren im Inland	(EUR/Mn.) ⁴
ALDI TALK (MEDIONmobile zu MEDIONmobile) ²	0,04
In das deutsche Festnetz ²	0,14
In alle anderen Mobilfunknetze ²	0,14
Mailbox ²	0,00

High Validity

Guthaben- und Aufladebeträge	Aktivitätszeitfenster ³	
Startguthaben	10,00	12 Monate
Aufladung	15,00	12
Aufladung	30,00	24 Monate
Maximalguthaben	Das Guthaben auf der MEDIONmobile Prepaid Karte kann maximal 200,00 betragen	
Maximales Aktivitätszeitfenster	Maximal 24 Monate	
Auflademöglichkeit	Aufladebeträge	
mit der ALDI TALK Guthaben-Karte	15,00 oder 30,00	

Der Kunde ist nach Ablauf des Aktivitätszeitfensters noch weitere zwei (2) Monate über eingehende Anrufe und SMS passiv erreichbar. Danach wird die MEDIONmobile Prepaid Karte deaktiviert, wenn keine Aufladung erfolgt.

Online Registration

Medionshop-Kunde:
Ich bin bereits registrierter Medionshop-Kunde und bin mit folgenden Daten beim Medionshop registriert.
Ihre E-Mail-Adresse zum Medionshop:
Ihr Medionshop-Passwort:
→ weiter

Medion Callcenter-Kunde:
Durch das Medion Callcenter besitze ich bereits eine Medion-Kundennummer.
Ihre Medion-Kundennummer:
Ihre Postleitzahl:
→ weiter

Neukunde:
Ich besitze kein Medionshop-Passwort und auch keine Medion-Kundennummer und möchte mich neu anmelden.

→ weiter

Extended customer service

Öffnungszeiten

Montags bis Freitags	07.00 bis 23.00 Uhr
Samstags, Sonntags und Feiertags (bundesweitlich)	10.00 bis 18.00 Uhr

Co-branded welcome pack

Co-branding

Registration No.:

- SIM
- Telephone No.

RETAILER MVNOs

Carrefour Telecom Taiwan

Carrefour Telecom Taiwan was launched in Nov 2008, in partnership with Chunghwa Telecom

First-to-the-market with prepaid



Postpaid offering recently launched



Lower prices translate to higher savings



Telecom integrated with customer loyalty



Highlights

- Competitive market with 4 mobile operators
- Carrefour telecom was the first player to **aggressively push prepaid**
- Carrefour has 65 multi-format stores spread across Taiwan
- Has recently launched the higher ARPU postpaid offering
- Low-cost mobile offering with **frequent promotions** for extra minutes
- Prepaid users **get discounts** on recharges **based on purchases**
- Plans to offer **loyalty points to postpaid users** for the bill amount paid

RETAILER MVNOs

T24Mobile (I)

T24Mobile was launched in Aug 2010 as a JV between Future Group (India's biggest multi-format retailer), and Tata Teleservices (a Mobile Network Operator)



Department Store



Hard Discount Retailer



Fashion Retailer



Grocery Supermarkets



Electronics superstores



Outlet stores for clothes



Home-Improvement

Future Group Key Facts

- FUTURE GROUP has presence across the consumer consumption space with retail being the prominent driving sector
- Established in 1997, has transformed from just retail into a leading group with presence in capital, consumer finance, insurance, brand development, retail real estate development and logistics
- It operates over 1.6m square mts. of retail space in 73 urban and 65 rural locations across India
- **Multi-format retail** strategy capturing the entire consumption basket
- Partners with Axiom Telecom, UAE for **retailing handsets** thru in-store kiosks
- Additionally, it sells mobile handsets and accessories online and in-store

RETAILER MVNOs

T24Mobile (II)

Low-cost prepaid offering sold as "UNPAID"



SHOP MORE TALK MORE – Free minutes for purchases

Big Bazaar	Food Bazaar																								
<table border="1"> <thead> <tr> <th>Min. Amount (₹)</th> <th>Introductory Offer (20% extra for new customer)</th> </tr> </thead> <tbody> <tr> <td>₹25 - ₹50</td> <td>₹5</td> </tr> <tr> <td>₹51 - ₹100</td> <td>₹10</td> </tr> <tr> <td>₹101 - ₹200</td> <td>₹20</td> </tr> <tr> <td>₹201 - ₹500</td> <td>₹30</td> </tr> <tr> <td>₹500 - ₹1000</td> <td>₹50</td> </tr> </tbody> </table>	Min. Amount (₹)	Introductory Offer (20% extra for new customer)	₹25 - ₹50	₹5	₹51 - ₹100	₹10	₹101 - ₹200	₹20	₹201 - ₹500	₹30	₹500 - ₹1000	₹50	<table border="1"> <thead> <tr> <th>Min. Amount (₹)</th> <th>Introductory Offer (20% extra for new customer)</th> </tr> </thead> <tbody> <tr> <td>₹25 - ₹50</td> <td>₹5</td> </tr> <tr> <td>₹51 - ₹100</td> <td>₹10</td> </tr> <tr> <td>₹101 - ₹200</td> <td>₹20</td> </tr> <tr> <td>₹201 - ₹500</td> <td>₹30</td> </tr> <tr> <td>₹500 - ₹1000</td> <td>₹50</td> </tr> </tbody> </table>	Min. Amount (₹)	Introductory Offer (20% extra for new customer)	₹25 - ₹50	₹5	₹51 - ₹100	₹10	₹101 - ₹200	₹20	₹201 - ₹500	₹30	₹500 - ₹1000	₹50
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SIM menu provides information about specials

T24 SPECIAL

OUR SPECIAL SERVICES, ONLY FOR THE SPECIAL YOU.

GO TO MOBILE MENU > T24 SPECIAL > ENGLISH OR HINDI MENU > CHOOSE AN OPTION AND EXPLORE THE SPECIAL WORLD OF T24

Shopping - Bringing shopping close to you with T24 Special. Be first to know about our shopping offers, latest trends, best deals and much more. Go to Mobile Menu > T24 Special > English or Hindi Menu > select your favorite store. Big Bazaar, Food Bazaar, Central, Pantaloon or others and get ready to experience shopping extravaganza on your T24 Mobile.

TALK MORE SHOP MORE – Discounts for recharges

T24 customers can recharge their connection at any retail point of Tata Teleservices or at any Future Group store.

Once recharge is done with any of the denominations on which offers have been specified, a message giving the offer will be sent via SMS to the customer within 4 days. To avail the offer, customers need to show this SMS at the T24 recharge desk in the Future Group store.

On recharge with Rs. 50	Rs. 25 off on Maggi Masala noodles, 750 gm. pack at Big Bazar & Food Bazar
On recharge with Rs. 100	Rs. 50 off on 25 kg. Sona Masoon premium rice bag at Big Bazar & Food Bazar
On recharge with Rs. 200	Gift voucher of Rs. 100 on Hidesol and Mogy Central
On recharge with Rs. 300	Saving of Rs. 100 on salads with MRF above Rs. 400 at Pantaloon
On recharge with Rs. 400	Saving of Rs. 400 on select T24 LCD models
On recharge with Rs. 500	Saving of Rs. 500 on minimum purchase of Rs. 2,000 at Home Inn

Highlights

- Highly competitive market with over 10 operators leading to extremely low tariffs
- Prepaid offering** which can be bought by **exchanging loyalty points**
- SIM card is sold only in the hard-discount** retail format while recharges can be obtained in all retail formats
- Customers can look up **special offers in the stores** by using the bilingual SIM menu which works on **USSD**
- Customers can obtain **free recharges based on their purchases; different formats offer varying recharges** on the same purchase amount
- Customers can **earn discounts** on specific products **for recharges**








RETAILER MVNOs

T24Mobile (III)

The telecom offering is **fully integrated with the retail loyalty program**: shoppers are rewarded with free airtime while mobile users are rewarded with discounts at stores

Features

SHOP MORE TALK MORE – Free minutes for purchases

HARD DISCOUNT/FOOD		DEPT. STORE / FASHION		ELECTRONICS / HOME	
 		  		 	
Bill Amount (in INR)	Free Talktime (in INR)	Bill Amount (in INR)	Free Talktime (in INR)	Bill Amount (in INR)	
351-500	10	501-1000	20	1001-5000	15
501-1000	15	1001-3000	40	5001-15000	60
1001-2000	35	3001-5000	125	15001-3000	175
2001-4000	70	Above 5000	225	Above 30000	350
Above 4000	150				

- Purchases in different retail formats count for **varying amount of free minutes**
- **Highest rewards** are offered for purchases of **clothes or in the department store**
- The awarded free talktime is **printed on the purchase receipt** & can be redeemed at an **in-store T24mobile kiosk**

TALK MORE SHOP MORE – Discounts for recharges

Recharge Amount (in INR)	Discounts on Purchases (in INR)
100	50 off on t-shirt worth 149 @ Big Bazaar
200	Gift voucher worth 100 @ Brand Factory
300	100 off on t-shirts above 499 @ Pantaloon's
400	400 off on 32" LCD TVs @ Ezone
500	500 off on purchase of 2000 @ Hometown

- Mobile users **recharging their T24mobile** card are offered **discounts on purchases** in Future group retail outlets
- Users receive a **'m-coupon' via SMS**, upon recharging, which can be redeemed at the counter at the time of billing

Future Group, through T24mobile, strengthens its existing relationship with customers

RETAILER MVNOs

Casino Mobile

Casino Mobile was launched in France in **Sep 2010** on Orange mobile telecom network

Low-cost prepaid offering with Pick&Pay starter pack



Sim card is bundled with a limited range of phones



Points awarded to loyalty card only on pack purchase



Recharge bonuses awarded on high recharges



The image shows a table titled "JE CHOISIS MA RECHARGE" with a "50% bonus" badge. The table lists recharge amounts and their corresponding benefits.

	5€	10€	15€	20€	30€
Temps de communication (jusqu'à) ¹⁾	12 min	25 min	38 min	51 min	76 min
Durée de validité ²⁾	10 jours	15 jours	20 jours	45 jours	60 jours
Crédit offert ³⁾	5€	7,5€	10€	15€	

Highlights

- Latest entrant to the MVNO business
- CASINO GROUP is one of the largest multi-format retailers in the world with extensive presence in France
- Mobile service branded as **simple and low-cost**
- Mobile connections sold **both as packs and SIM-only**
- Initial **pack purchase** is linked to **bonuses on loyalty card**
- Packs are only sold in stores while recharges can be done online

Casino Mobile has not yet developed the integration between the traditional retail business and the MVNO business

RETAILER MVNOs

Poste Mobile

Poste Mobile was launched in 2007 and its customer base has reached almost 2.5 million customers in 2Q'2013

Customer Base



Distribution Network



Brand Recognition



Financial Services



Highlights




















- Bundles mobile services with financial services
- Launched in 2012, it was the first all-included (National Voice, National SMS, 1GB) offer in Italian market
- Makes use of a **multichannel distribution strategy** to target consumers
- It has developed a set of m-VAS (**m-Banking, m-Payments, m-Commerce, m-Postal Services**) to differentiate from its competition
- The offer includes the most advanced handsets and devices
- It targets both the residential and the business customer segments

Poste Mobile is the most successful MVNO in Italy, having reached around 55% of the total Italian MVNO market

RETAILER MVNOs

Retailer MVNO benchmark (I)













Some retailers have decided to develop a tight integration between their existing business and the developed MVNO business in different ways

Retailer	MVNO	Country	Operator	MVNO Business Model	Retailer involvement in MVNO	Client ownership	Cross-selling activities
			O2 (MNO)	Service Provider in a 50/50 JV with O2	Strong, through the share in the JV		Limited
			O2 (MNO)				
			Orange (MNO)	Service Provider	Very strong, Carrefour fully manages the MVNO customer experience		Limited
			Orange (MNO)				Limited
			Polkomtel (MNO)				Very active
			NA (MNO)				Very active

RETAILER MVNOs

Retailer MVNO benchmark (II)















Some retailers have decided not to be involved in the development in the MVNO business and treat the mobile as any other product in their portfolio

Retailer	MVNO	Country	Operator	MVNO Business Model	Retailer involvement in MVNO	Client ownership	Cross-selling activities
			Tata (MNO)	Branded Reseller	Limited		Very active
			Tigo (MNO)	Service Provider (with own numbering plan)	Very strong, Éxito fully manages customer experience		Very active
			Entel (MNO)	Full MVNO	Very strong, Falabella fully manages customer experience		Very active

RETAILER MVNOs

Retailer MVNO benchmark (III)

Some retailers have decided not to be involved in the development in the MVNO business and treat the mobile as any other product in their portfolio

Retailer	MVNO	Country	Operator	MVNO Business Model	Retailer involvement in MVNO	Client ownership	Cross-selling activities
			Tracfone (MVNO)	Exclusive brand distributor	Almost non-existent, Walmart only sells the product		None
			T-mobile (MNO)	Exclusive brand distributor			
			E-plus (MNO)	Eplus Branded Reseller	Very limited, Aldi only provides the brand name and sells the product		Very limited
			E-plus (MNO)	Medion (MVNE) Branded Reseller			
			KPN (MNO)	KPN Branded Reseller			

RETAILER MVNOs

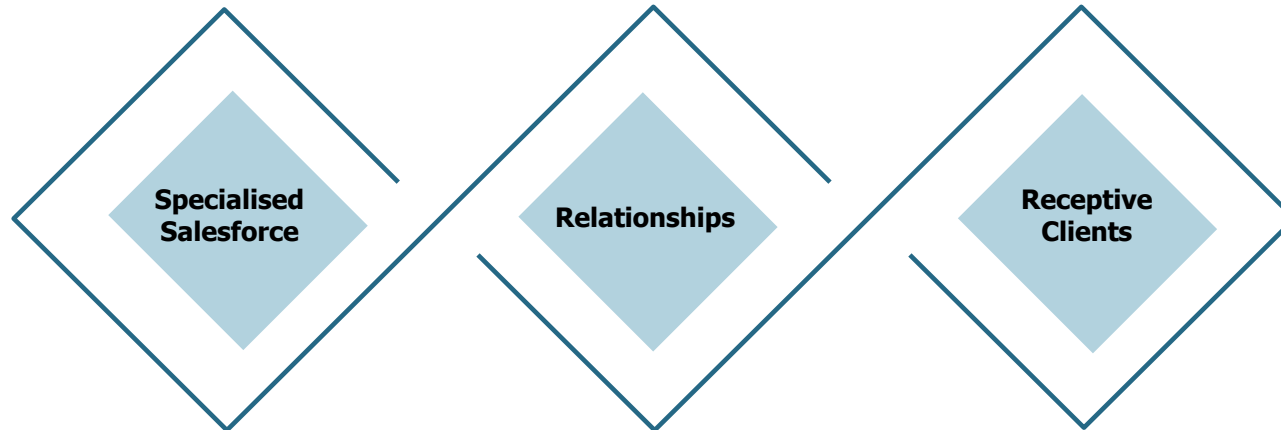
TELECOM RETAILER MVNOs

RETAILER MVNOs IN LATAM

TELECOM RETAILER MVNOs

Expanding into MVNOs

MVNOs are inherently attractive product extensions for telecom retailers given their complementary nature to the existing offerings



DESCRIPTION

- Sales force with wide **experience in selling mobile telecom products**
- Aware of **customer requirements & perception**
- Existing **relationships with Mobile Network Operators**
- **First point of contact** for many mobile users
- Since clients are already buying related products, **it is easier to present propositions**
- Communication can be targeted **specifically at certain segments.**

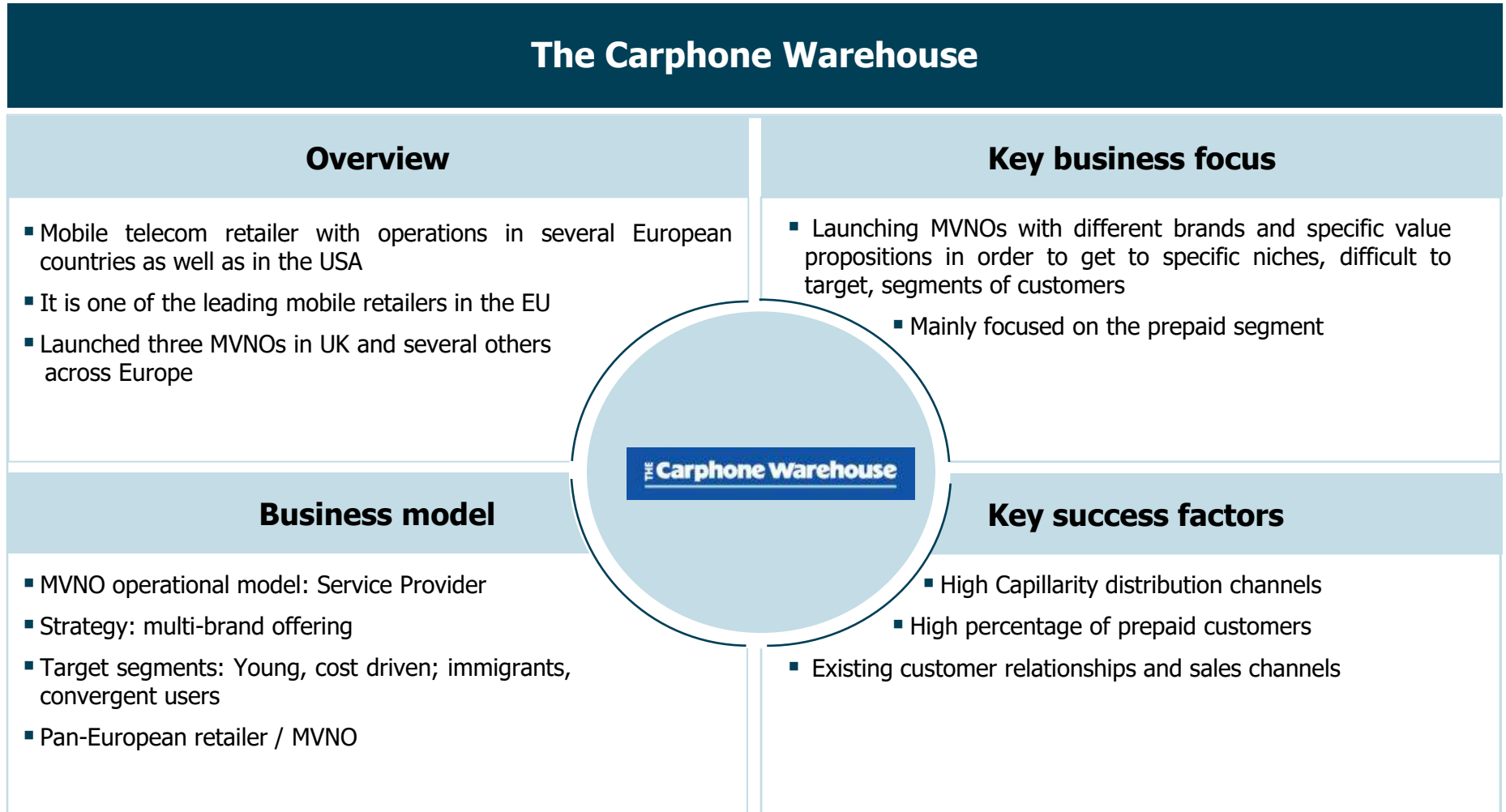
KEY ELEMENTS

- **Understanding gaps in mobile services in the market**
- **Customer assurance** with the help of branding and **responsive sales staff**
- Existing relationships facilitate **speeding up of pre-launch activities**
- Extensive distribution network consisting of **own stores and other partners**
- Mobile service offerings **targeting specific segment**
- **Simplicity and convenience** are the highlights that are at the core of these mobile offers

TELECOM RETAILER MVNOs

The Carphone Warehouse (I)

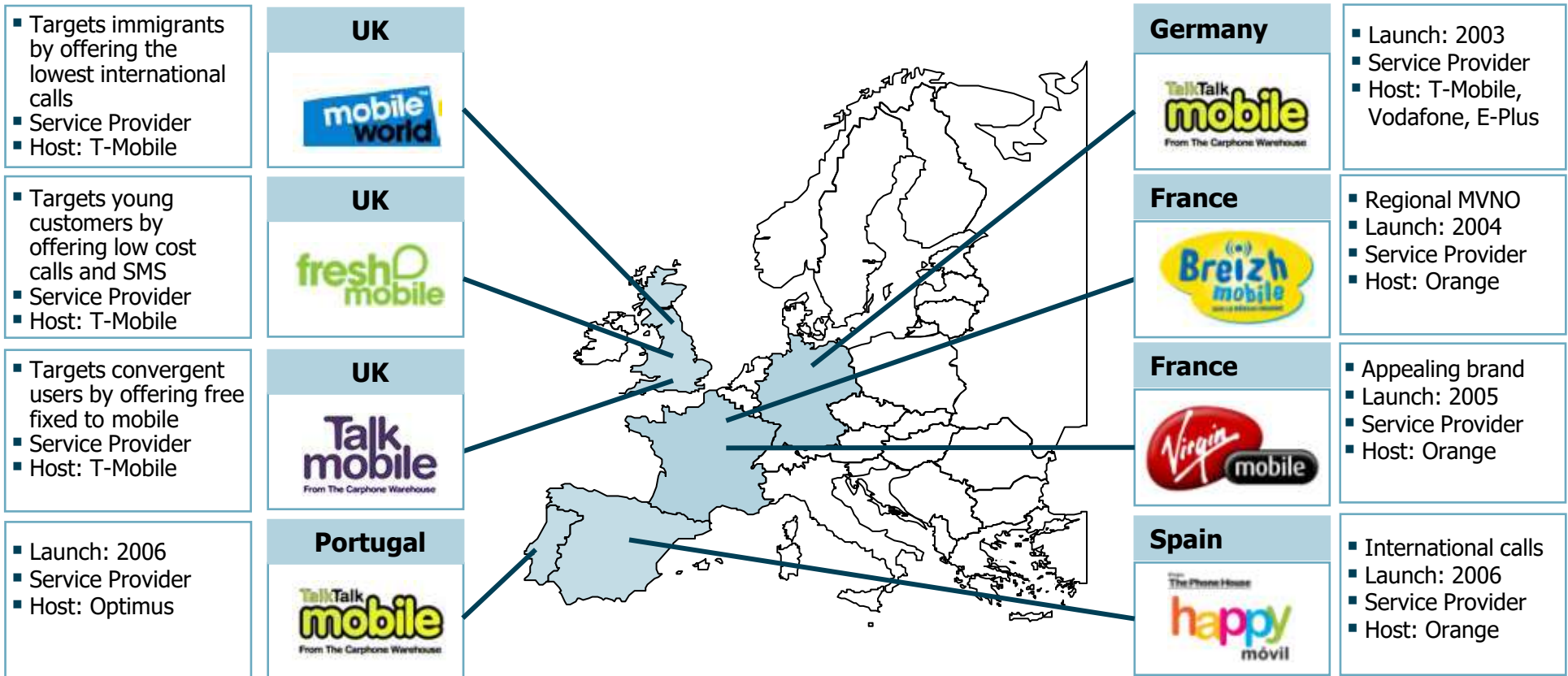
Mobile retailers like **The Carphone Warehouse** base their success in a number of key elements



TELECOM RETAILER MVNOs

The Carphone Warehouse (II)

The Carphone Warehouse targets **different customer segments** in the markets where it operates



The Carphone Warehouse uses different branding strategies for different markets rather than a one-size-fits-all approach

RETAILER MVNOs

TELECOM RETAILER MVNOs

RETAILER MVNOs IN LATAM

LATAM RETAILER MVNOs

MVNO candidates

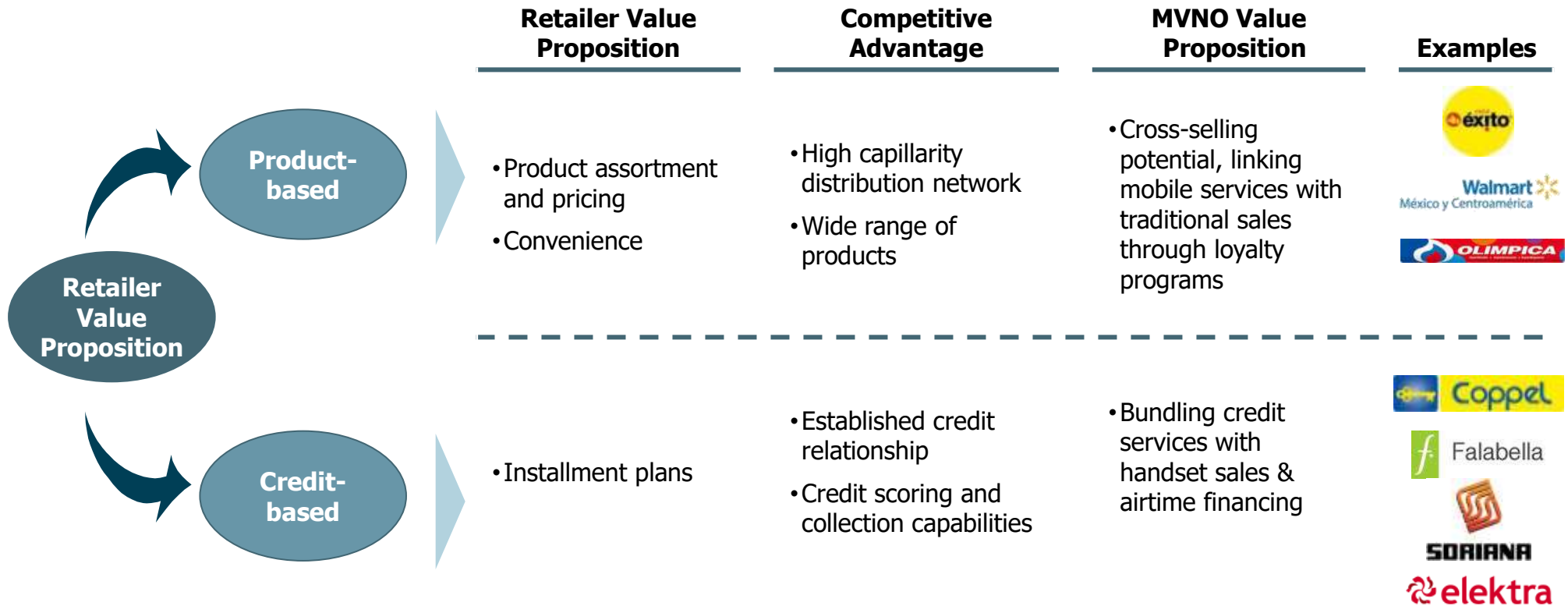
Some retailers in LATAM have already taken the decision to enter the MVNO market while others are currently considering the option or may do so in the near future



LATAM RETAILER MVNOs

Retailers Value Propositions

Retailers (Department Stores) in LATAM base their value proposition either on their product assortments or on offering installment plans to customers

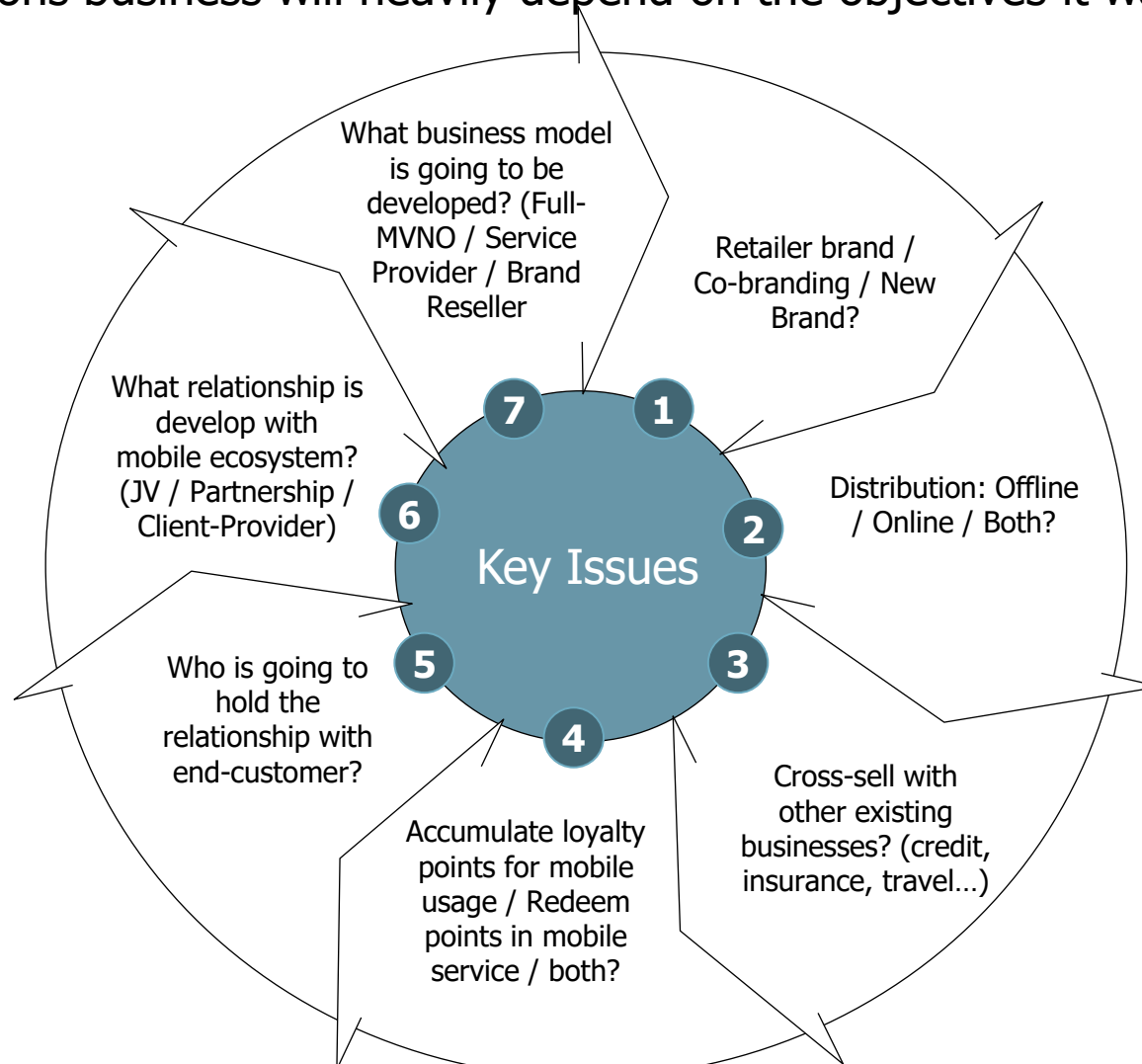


Retailers should leverage on their existing capabilities to develop a successful MVNO business

LATAM RETAILER MVNOs

Key Issues

The answers to the questions a retailer should answer when facing the entry in the mobile telecommunications business will heavily depend on the objectives it wants to achieve



LATAM RETAILER MVNOS

Levers

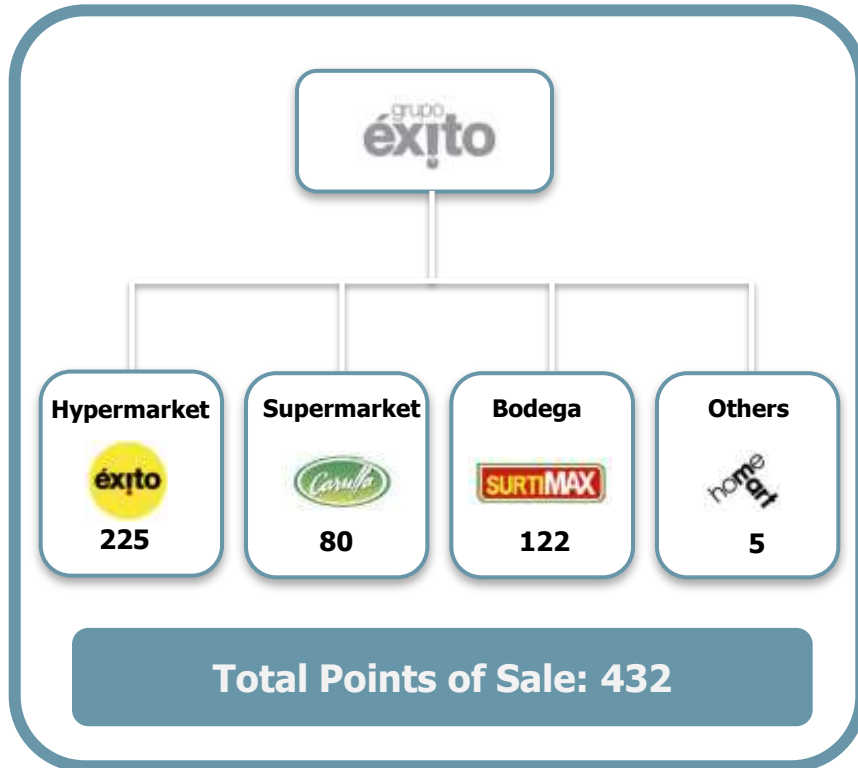
Retailers in LATAM can leverage on their current assets and capabilities to successfully develop an MVNO business



LATAM RETAILER MVNOS

Case Study: móvil Éxito (Colombia)

Grupo Éxito is one of the leading Colombian corporations, with a revenue figure of COP\$ 10.2 billions



Source: Grupo Éxito Annual Report Dec '12, NEREO Analysis

- Grupo Éxito es the leading Colombian retail distribution
- It has expanded its business and it currently offers textile, gas stations, travel agency, insurance, Real Estate and Credit services
- Market segmentation through **different points of sale formats** (Carulla / Éxito / Surtimax)
- Already developing **white label products**
- Strong **loyalty program** in place
- Main business KPIs:
 - Revenues (2012) > COP\$10,200 bill.
 - EBITDA (2012) > COP\$858 bill. (8.4% over Revenues)
 - **42% market share** in retail market
 - **Very high "Top of mind" Brand Awareness** (> 30p.p. over second player)

Grupo Éxito is the leading retailer in Colombia, with presence in over 50 cities

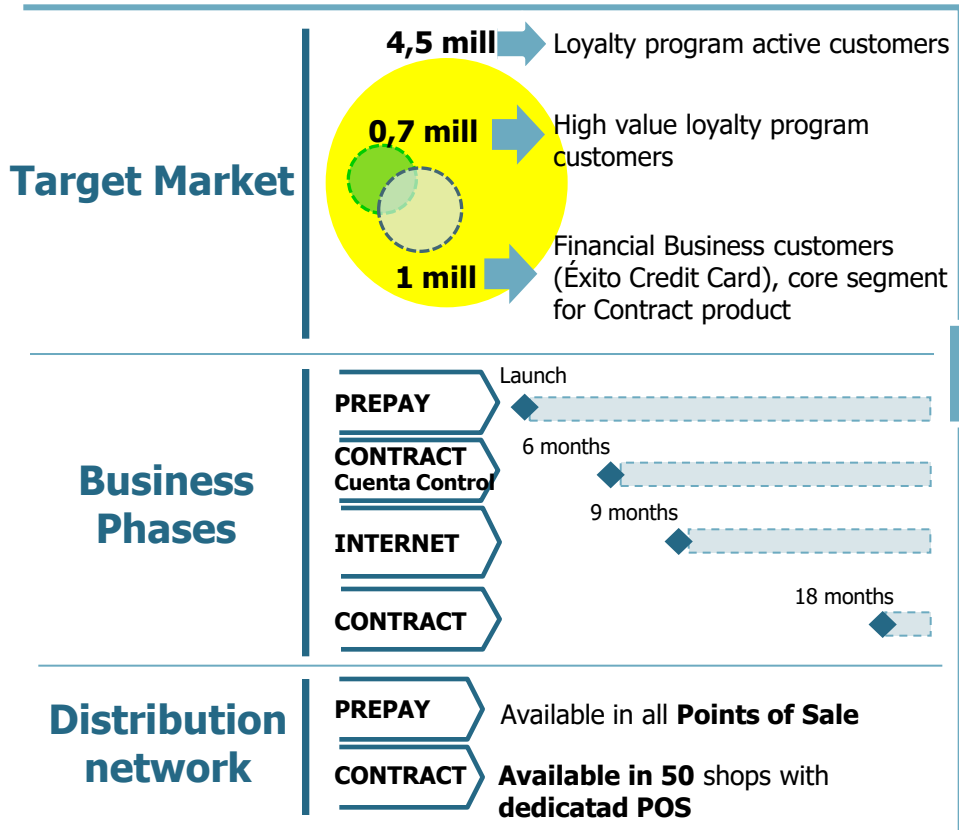
LATAM RETAILER MVNOs

Case Study: móvil Éxito (Colombia)



Grupo Éxito's MVNO Value Proposition is based in developing a brandname – customer base – payment ecosystem

DESCRIPTION



KEY ISSUES

- 1 Leverage on **loyalty program** to generate added value and **differentiate from competition**
- 2 Increase interaction with customers
- 3 Leverage on Éxito's **credit business** to create and develop telecom contract services
- 4 **Cross Selling:**
 - Inversión de proveedores para actividad comercial
 - Develop direct communication channel with customer base

LATAM RETAILER MVNOS

Case Study: móvil Éxito (Colombia)



Base tariffs of móvil Éxito offer are aligned with market, but customers get the biggest value thanks to its loyalty program and credit purchases

SIM Card, with initial credit, is bundled with the equipment

Equipment sale is financed through Éxito's credit card

Una oferta que no te puedes perder

Celular Prepago SAMSUNG GALAXY S4
Precio normal **\$1.649.000**
Total celular + SIM Móvil Éxito **\$1.659.000**
Incluye SIM Móvil Éxito con recarga inicial de \$10.000
Ref. GT-19500
PLU: 907125-933693
Unidades disponibles: 142
Disponible en:

con Tarjeta Éxito®**
\$1.319.200
48 cuotas \$44.421
pagando con tu Tarjeta Éxito®**
descuento válido para las primeras 85 unidades con Tarjeta Éxito®**

OBSEQUIO
12 meses de navegación
12GB y 300 minutos

Lo nuestro es conversar

móvil éxito para todas, todo.

Vigencia: Agosto 30 a septiembre 29 de 2013. El número de cuotas de Tarjeta Éxito aplica para la venta del celular + SIM Móvil Éxito. El celular se vende con la SIM Móvil Éxito. Precio SIM Móvil Éxito \$10.000. Móvil Éxito no maneja cláusulas de permanencia. El precio de venta del celular no incluye el precio de la SIM Móvil Éxito. Plan de datos de 12 meses o 12GB / 2 meses o 2GB / 15 días o 512MB (Lo que suceda primero). Los 300 minutos de tu línea Móvil Éxito aplican para todos los operadores y hijos nacionales. La vigencia de los minutos es de 3 meses a partir de la compra. La oferta no es acumulable con otro descuento. Disponible en Bogotá, Medellín, Bucaramanga, Cali y Barranquilla. Éxito®, marca registrada de Almacenes Éxito S.A. La tasa efectiva anual cobrada por Tarjeta Éxito® es 29,232169%; tasa vigente del 01 de Julio al 30 de septiembre de 2013. Al momento de la compra se liquidará con la tasa vigente. El valor de las cuotas mencionadas no incluye cargos fijos ni cuota de manejo. Para que el descuento sea efectivo la totalidad de la compra debe ser cancelada con Tarjeta Éxito®, y el titular de la tarjeta de Puntos Éxito® y la Tarjeta Éxito® debe ser el mismo. El descuento en electrodomésticos, digital, deportes y muebles, aplica para máximo 2 unidades por cliente. Tarjeta Éxito® emitida por TUYA S.A. Compañía de Financiamiento. éxito

Customers get free data when they buy their equipment

LATAM RETAILER MVNOS

Case Study: móvil Éxito (Colombia)



Discounts for buying other products are offered to encourage high value top ups in móvil Éxito

Customers get discounts for their purchases in Éxito when they make high value top ups in their móvil Éxito

Por recargas superiores a **\$5.000** en tu línea Móvil Éxito del **5 al 11** de agosto

25% en productos de mercado **Marca Éxito** que compras desde el **15** hasta el **19** de agosto.

Con Móvil Éxito **ahorras más**

La nuestra es conversar

móvil éxito

para todas, todo.

El descuento del 25% aplica desde el 15 hasta el 19 de agosto de 2013. Excluye los productos: Cereales y Lácteos (leche condensada). No aplica para el negocio de Internet. Descuentos, ofertas, promociones, ofertas especiales, ofertas especiales y productos de marca. No aplica para productos de regalo, sorteo y promoción. No aplica para la línea Móvil Éxito. El descuento aplica a una compra de Móvil Éxito. La oferta no es acumulable con otros descuentos.

Con Móvil Éxito disfrutas **promociones semanales**

Por recargas superiores a **\$5.000** en tu línea Móvil Éxito del **20 al 25** de agosto

recibe **50%** en toda la ropa exterior de la marca **ARKITECT** por las compras que realices del **30 de agosto al 1 de septiembre**

La nuestra es conversar

móvil éxito

para todas, todo.

El descuento del 50% aplica desde el 30 de agosto hasta el 1 de septiembre de 2013 en todas las recargas de la marca ARKITECT. El descuento aplica a una compra de Móvil Éxito. La oferta no es acumulable con otros descuentos.

LATAM RETAILER MVNOS

Case Study: móvil Éxito (Colombia)



The mobile services creates both a community effect and a link with Éxito traditional business through the loyalty program

-  El titular de la SIM acumula más puntos con cada recarga.
-  Podrá redimir sus Puntos Éxito o Carulla por productos de telefonía.
-  Disfrutar de ofertas y promociones vigentes.
-  Tiene la opción de escoger hasta 10 números amarillos y así al conversar, ahorrar.
-  Puede adquirir y activar su SIM Móvil Éxito y planes de datos en nuestros almacenes Éxito, Carulla y Surtimax.

Customers get loyalty points when they top up their mobiles and customers can use their loyalty points to acquire telephony products

Reduced onnet tariffs encourage the development of a **community effect**

Tu comunidad Móvil Éxito

Donde tienes la opción de elegir hasta 10 números amarillos

5 Números amarillos familiares	1	2	3	4	5
5 Números amarillos generales	1	2	3	4	5

[ver más](#)

¿Ya conoces la nueva tarifa para conversar con tus números amarillos?

Construye tu comunidad y conversa a solo:

\$99

el minuto

¡Un nuevo motivo para que converses más!

Conversa a todos los operadores, fijos nacionales, Estados Unidos, Canadá y Puerto Rico a solo:

\$199

el minuto

¡El momento de conversar!

móvil éxito para todas, todo.

LATAM RETAILER MVNOS

Case Study: móvil Éxito (Colombia)



While **móvil Éxito** regular offer is competitive, its customers get the most out of it by benefiting as well from Éxito loyalty program and credit facilities

Regular offer

Prepaid Service

- Voice services (by the minute rating, differentiating between onnet and offnet calls)
- Messaging services
- Data services: Daily (150MB) or monthly (2GB) bundles

Added value to "loyal" Éxito customers (those within Éxito loyalty program)

Recharges

- Airtime recharges generate points in Éxito loyalty program (only for recharges on Éxito-Carulla-Surtimax points of sale)

Start Pack

- COP\$10,000 credit SIM is sold for COP \$10,000 + 2,500 points

(COP\$5,000 discount)

Minutes bundles

- 1) 70 onnet minute x COP\$5,000 + 2,500 points
- 2) 35 offnet minutes x COP\$5,000 + 2,500 points

(COP\$5,000 discount)

Handsets

Handset offer is made up of 4 different units. They return up to 25% of their value in airtime if it was purchased with Tarjeta Éxito

Community

Up to 10 "yellow numbers" (móvil Éxito numbers) to call at reduced rates to generate a community effect

LATAM RETAILER MVNOs

Case Study: Full móvil (Costa Rica)



Fullmóvil was the first Full MVNO that operated in LATAM and was created through the association of three retailers in Costa Rica



- Main distributor of ICE (Costa Rica telecom incumbent), operating around 200 points of sales in Costa Rica
- It sells furniture, home appliances and technology products
- It provides credit lines to more than half a million households



- It is the second largest ICE distributor
- It operates 70 points of sale in Costa Rica
- It provides credit lines to more than two hundred thousand households

Available levers	Used?
Brand	<input type="checkbox"/>
Distribution network	<input checked="" type="checkbox"/>
Control over customer experience	<input checked="" type="checkbox"/>
Credit availability	<input type="checkbox"/>
Cross-selling	<input type="checkbox"/>
Use of Customer Knowledge	<input type="checkbox"/>
Link with loyalty program	<input type="checkbox"/>

The consortium did not operate all the levers available to them and they have not been able to develop a successful MVNO business

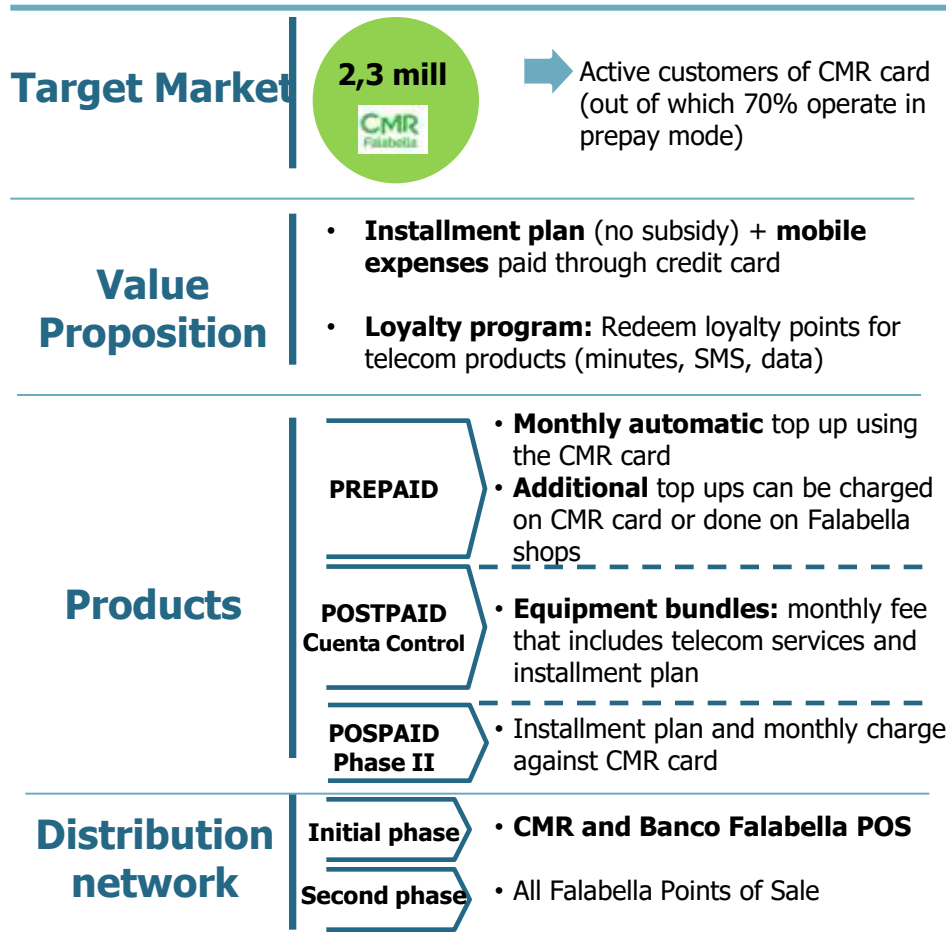
LATAM RETAILER MVNOS

Case Study: móvil Falabella



Increase finance business (credit card/current accounts) through the sale of equipments and mobile services in installment plans

DESCRIPTION



KEY ISSUES

- ➊ Leverage on the **finance business** to define and create postpaid services (cuenta control)
- ➋ **“Lean & mean”** operations:
 - Only use own distribution channel
 - No subsidies: Falabella offers installment plans to acquire equipments
 - Payments and top ups charged on CMR credit card
- ➌ Leverage on the **loyalty program** to create **value added and differentiation**
- ➍ **Cross Selling:**
 - Customer base has an already established relationship through the use of cards and current accounts
 - Increase credit given to existing customers

LATAM RETAILER MVNOS

Case Study: móvil Falabella



On its pre-launch phase, **móvil Falabella** just lunched generic promotions, not linked to their core businesss

INTERNET ON/OFF
CONTROLA TU CONSUMO DE INTERNET

MANTENTE CONECTADO
\$400 POR UN DÍA DE NAVEGACIÓN X 5MB

Con navegación on demand navega por sólo \$400 todo el día (24 horas continuas) o hasta consumir los 5 MB, lo que ocurra primero.

50% ADICIONAL EN TODAS TUS RECARGAS
VÁLIDO HASTA ENERO 2014

LATAM RETAILER MVNOS

Case Study: móvil Falabella



The best equipment can only be acquired with the CMR card

**LAS OPORTUNIDADES.....
NO SE REPITEN
SE ALARGAN**

 <p>LGT T395 PRECIO \$39.990 única \$29.990</p> <p>COMPRAR</p>	 <p>SAMSUNG REX 80 S5220 BLANCO O AZUL PRECIO \$39.990 única \$34.990</p> <p>COMPRAR</p>
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EXCLUSIVO CON TU 

PROMOCIÓN VÁLIDA HASTA EL 30 DE NOVIEMBRE 2013

**Compra ahora el Samsung s5220
Y LLEVA 5.000 CMR PUNTOS.**

 <p>SAMSUNG REX 80 S5220 BLANCO O AZUL PRECIO \$39.990 única \$34.990</p> <p>COMPRAR</p>	<p>EXCLUSIVO CON TU </p> <p>BLANCO SKU: 3725802 AZUL SKU: 3725803</p> <p>VER LEGALES</p>
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Exclusive offers for the CMR card holders

LATAM RETAILER MVNOS

Case Study: móvil Falabella

“Recarga Controlada” is an automatic recurring top up charged on CMR card that gives access to preferential tariffs



Access to preferential voice tariff



Access to Internet for free



Automatic and recurring top up charged on Falabella card

LATAM RETAILER MVNOS

Case Study: Chip Luiza (Magazine Luiza)

Magazine Luiza has launched a SIM card using the “*credenciado de red virtual*” figure that was created in Brazil



Free access to Magazine Luiza and Claro websites

Special benefits for top ups done using the registered credit card. Customers get credit to call other Claro users

The registered MSISDN provides access to special offers by Magazine Luiza

NEREO

www.nereomc.com

May you require further info, please contact:

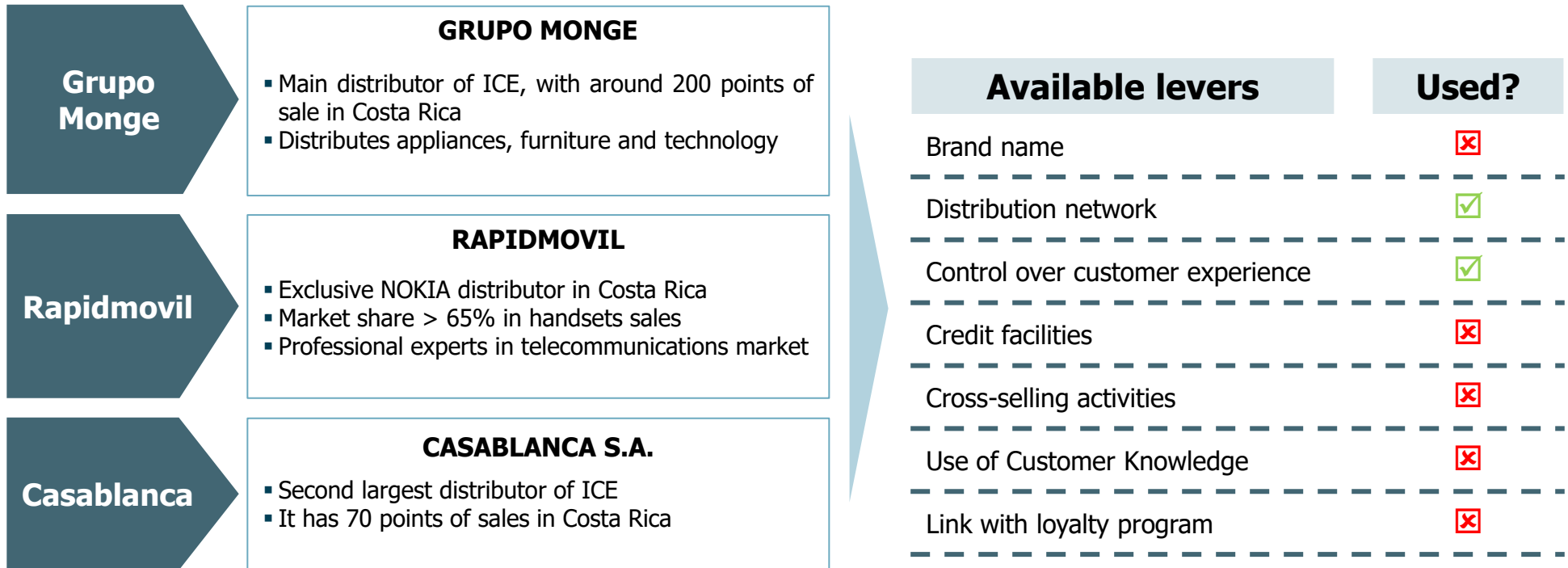
Pedro Ruiz-Blanco (+34629369404, pedro.blanco@nereoconsulting.com)

LATAM RETAILER MVNOs

Case Study: Fullmóvil (Costa Rica)



Fullmóvil, the first Full MVNO in LATAM, was created from a partnership of three leading Costa Rican distributors

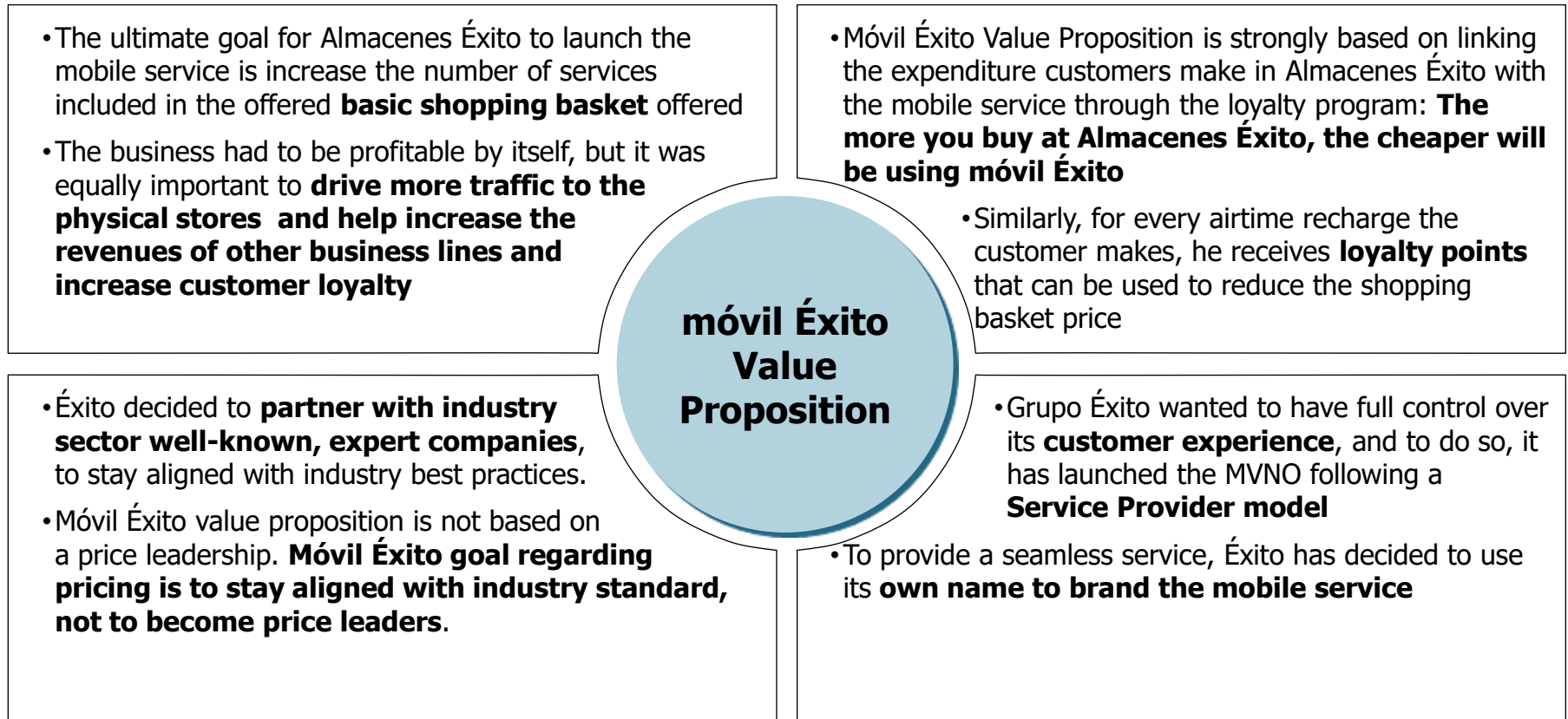


The consortium used few of the available levers to build Fullmóvil's Value Proposition and it has not been able to develop a successful MVNO business

LATAM RETAILER MVNOS

Case Study: móvil Éxito (Colombia)

Móvil Éxito Value Proposition is based on linking the existing loyalty program and the mobile service giving benefits to clients in both directions

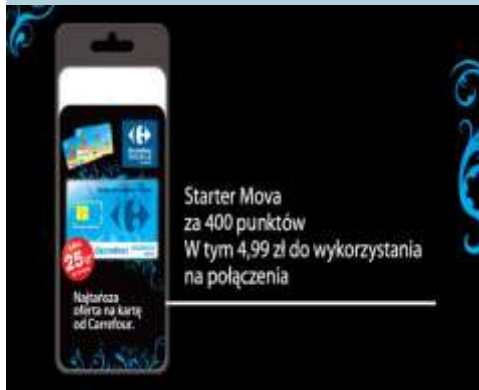


RETAILER MVNOs

Carrefour Mova

Carrefour Mova was launched in Poland in Apr 2008, using the Polkomtel network

Low-cost prepaid offering with Pick&Pay starter pack



Mobile minute bonuses on specific purchases



Mobile minute bonuses on each invoice



Telecom integrated with customer loyalty



Highlights

- Competitive market with 5 mobile operators
- Carrefour Poland launched a prepaid only offering pricing it at the lower end of the market
- Carrefour has over 350 stores in Poland with a mix of hypermarkets & supermarkets
- **Frequent promotions** on products with **mobile minutes** offered as a bonus
- **Mobile minutes** are awarded **on each invoice** irrespective of the customer being a mobile user or not
- **Loyalty points** can be exchanged for **recharges** in-store or through USSD
- **Shopping vouchers** are awarded for recharges