

Mobility helps supermarket chain get more shoppers to buy more and visit more frequently

industry:

Service Providers and Telecommunications

country:

The Netherlands

challenge:

Teleena sought an innovative network infrastructure to provide its mobile virtual network operators (MVNO) clients with service capabilities to quickly and easily differentiate themselves.

solution:

Create a new mobile virtual network enabler (MVNE) model by having its own mobile core integrated with a Vodafone radio access network, and building into it real-time, controlled smart mobile services.

services:

Planning, implementation and deployment services for a complete IP-centric mobile core network without own mobile radio.

results:

- Teleena now has the operational flexibility and scalability to quickly and easily provide innovative, value adding services to its MNVO and MNO clients
- It has been able to provide 'mobile 2.0' services well ahead of its competitors
- It is already expanding into the rest of Europe, because its network can be scaled by simply connecting its routers to other MNO networks

Flexibility and scalability of mobile virtual network enabler empowers retailer to combine private label prepaid with a customer loyalty programme

Executive summary

Dutch mobile virtual network enabler (MVNE) Teleena has enabled supermarket chain DekaMarkt to create a private label pre-paid mobile service that directly improves customer loyalty by rewarding certain types of shopper behaviour with free air time minutes. All this was made possible by the flexible telecoms platform built with the advice and practical assistance from Dimension Data.

Client overview

The Dutch telecommunications market is extremely dynamic, with more than 50 active mobile virtual network operators (MVNOs). Broadband services have become commoditised and voice minutes are becoming progressively more mobile orientated. The Dutch government is stimulating innovation and has given the market free mobile spectrum. The need for MVNOs to differentiate their brands, create new offerings, and ensure that end users pay for new services is, therefore, crucial.

The business objective for Dutch mobile virtual network enabler (MVNE) Teleena is to be the best-valued mobile network enabler for MVNOs across Europe – by continuously delivering new, clever concepts that push mobile business forward. It achieves this by fully owning and operating its own all-IP next generation mobile infrastructure, in-house IT development and by continuously investing in market knowledge.

This provides the company with both the power to innovate and the operational controls to support it. Currently, 20% of Dutch MVNOs profit from Teleena's approach and, at the beginning of 2011, the company launched its services in the United Kingdom.

Business challenge

When Teleena entered the market in 2007, most MVNOs were serviced by mobile network operator (MNOs) directly and MVNEs just had a billing and provisioning value proposition without their own core networks. Teleena took a decision to create a new MVNE model by having its own mobile core, connected to Vodafone's radio access network, and building into it smart network with real-time control.

Teleena's aim is to provide its client MVNOs with the means to quickly and easily differentiate themselves through the use of Teleena's scalable converged network which has been designed to take mobile voice, data and value added services beyond established MNO and MVNO capabilities.

The challenge was delivering the mobile services and obtaining full session control for the right price.

The way forward

From the start, Teleena decided it needed an IP core that would enable it to connect to all types of partnering networks and build and roll out new setups and propositions easily and rapidly.

With Dimension Data's advice and design specialisations, Teleena achieved just that and is now able to provide offerings that are not just completely new to MNVO and MNO end users' mobile experience.

Services provided

Dimension Data built a complete mobile core network without recourse to radio. The development, design, and deployment of the Teleena network by the media and communications division of Dimension Data in the Netherlands and included the consulting, telecommunications, and security specialisations of the broader group.

Working with Cisco, and Teleena's next generation network service control platform partner eServeGlobal (acquired by Oracle), Dimension Data enabled Teleena's network to act as just another gateway mobile switching centre (MSC) to the host network operator, Vodafone. This standard way of interconnecting brought two key advantages: ease of understanding for MNOs and full session control for Teleena.

The project included several 'firsts', in which standard products were integrated to perform a standard mobile function and, thereby, address two key requirements: proven and future proof. Innovation was then brought to bear in having all voice services managed through session initiation protocol in Teleena's core, enabling easy deployment of new fixed and mobile services and reducing operational expenditure.

In addition, the solution was designed to provide in depth analysis capabilities for the recognition and management of specific traffic such as music and video.

Inherently, the Teleena network design facilitates a hub-and-spoke architecture in which all elements are connected with IP. The core network can be easily expanded into other countries by simply adding a signalling and media gateway to build another mobile interconnect.

The core network has three main functional interconnects: mobile, fixed and internet.

"To build a sustainable business as an MNVE, you must be able to offer absolutely reliable services,"

says Teleena Sales and Marketing Manager, Elco Gijze.

"So, we chose to work with Dimension Data because it not only provides tier one solutions but are able to create an

end-to-end network solution that, while it is shaped around a client's specific needs, still delivers world class performance."

"In addition, Dimension Data was proactive in partnering with us to ensure that all the components of our network were fully integrated. It didn't just put down some Cisco boxes and walk away. Hardware is a hygiene factor. You can buy the boxes anywhere. What matters is the experience behind the boxes that makes them work optimally."

"Crucially, in our case, Dimension Data gave us the opportunity to be even more flexible and innovative than we imagined".

"Dimension Data also set up our network in such a way that we can manage and even expand it ourselves. But, we really like to involve Dimension Data in our expansion plans, to be sure that we use its insight into the evolution of mobile to be able to adjust our strategies to anticipate or lead market changes."

"Most importantly, perhaps, Dimension Data gave us the opportunity to be as flexible and innovative as possible. It was on their advice that from the start we built an all-IP, next generation network and, now, all we need in order, for example, to expand into other countries is a router in the new country connected to the Vodafone network."

Value added

When supermarket chain, DekaMarkt, approached Teleena, its objective was to set up a pre-paid mobile private label, in line with what other Dutch supermarkets were offering. Teleena recommended that DekaMarkt differentiate itself by linking its private label to a loyalty programme to help drive customers to its stores more often.

By connecting the private label service to DekaMarkt cash registers, Teleena enabled the supermarket chain to automatically reward certain shopping behaviour with free air time minutes. Shoppers are provided with a DekaMarkt loyalty card that has a bar code that can be attached to a key chain. It also contains a SIM card. When shoppers pass the till, their bar code is scanned and if certain specials have been bought or a certain spend has been exceeded, the shopper's SIM card

is automatically topped up with a related number of minutes.

The project has been so successful that DekaMarkt is finding that shoppers are not only buying more groceries when they're in the stores but are also visiting the stores more frequently.

"Our mobile offering delivers benefits to all parties,"

Gijze says.

"DekaMarkt is selling more products and is making reasonable margins on their mobile private label. We have a delighted customer. Vodafone has more traffic running across its network. And mobile users are getting cheap air time. That's a remarkable business case in a heavily traded market."

Dimension Data Netherlands Line of Business Manager for Media and Communications, Albert Lentink says that, because of their legacy systems and an early focus on voice technology, MNOs and MVNOs simply don't have the ability to, for instance, link their billing and CRM systems to cash registers.

"So they can't segment audience with the ease now available to Teleena, in order to deliver air time minutes related to a specific type of shopper behaviour to a specific mobile user in a specific store. And, were they able to, the deployment would take six months to a year instead of the few weeks it took Teleena."

"Our mobile offering is so dynamic that it enables us to help our clients with ideas for improving their business, rather than simply providing facilities for their mobile traffic,"

Gijze says.

Teleena's core network is now so flexible and scalable that Vodafone has taken the unusual step of creating a new, non-Vodafone branded MVNO in the Netherlands that is run and managed on the Teleena IP-based network core. The MNVO is known as Hollands Nieuwe.

"Based on the success of our model, we're now rolling out further private GSM solutions and advanced data solutions – and we want to do it jointly with Dimension Data."

