

LEADING THE DIGITAL ERA

# INNOVATIONS IN CUSTOMER EXPERIENCE



LIFE IS FOR SHARING.

## INNOVATIONS IN CUSTOMER EXPERIENCE

Operating in a highly competitive environment in all telecommunications segments, MKT was focused on the retention of the existing customers and the up-sales to bundled converged services, as well as on the acquiring of new customers on the fixed and mobile market, for both the residential and the business segment.

### Strengthening Magenta 1 and the new fixed portfolio

MKT successfully continued the growth of Magenta 1 product which reached 6% of the households in the country. Magenta 1 portfolio was enriched with new product – Cool tariff as additional SIM. As a part of the complete household approach, the innovative feature offering child security was introduced in order to cover the needs of all family members.

A new Smart portfolio was introduced in 2016 with the simple principle of “more for more” for postpaid customers. MKT is the first operator on the market introducing the roll-over concept - non-used bundled data from this month to be used in the next month. This concept was very well perceived by the customers and increased their satisfaction with the new option.

A new fixed portfolio was introduced in the last quarter of 2016 with a simple and flexible approach, offering stable Internet on the best fixed network with a combination of IPTV with an exclusive content, to contribute in sustaining the customer base as well as to attract new households.

In the prepaid segment, the active base was increased by stimulating activity with tailor made offers for different segments. Different communication activities were executed, mainly driven by direct SMS instead of big ATL campaigns. Excellent results in the summer period were achieved by attracting visitors to MKT's offer. New weekly and monthly tariff options were introduced with positive results both on the customer and the financial side.

Customer retention and satisfaction as a main strategic direction continued also in 2016. Marketing activities based on the customer needs and habits are performed in order to build strong customer relations and provide the best customer experience. The value

based approach continues in order to provide an excellent customer experience for the most valuable customers.

### Premium business solutions

MKT's focus product during 2016 was Magenta 1 Business, a top premium business solution created for dynamic market trends. This solution includes fixed and mobile services with unlimited calls to all national networks, LTE in all mobile options, broadband connectivity, superior Cloud services and a possibility to buy the Max TV service as a soft bundle option. The product gives the customer a unique possibility to procure integrated services and to build up an individual offer according to their needs. A Smart working campaign was executed in Q4 2016, with an emphasis on Cloud services that enhance companies to increase their productivity.

The business portfolio for mobile only services that was launched in October 2015 was a mass market offering during 2016. There are five tariff options that are suitable for all levels of the company's employees, from starting positions to executives. All options have LTE access with higher data volumes accompanied with smart phones at attractive prices.

MKT repositioned the two play broadband portfolio (Office Complete) for Business customers. The Office Complete portfolio was significantly simplified and fully aligned with the Magenta 1 Business fixed voice and Internet components, providing a clear migration and up-sale path towards Magenta 1 Business.

Managed and cyber security continued to be one of the main development focuses for the Business Customers. Following the key trends, MKT was positioned as an active player on this market not only as a custom solution provider, but also when robust coverage on the topic is needed. Third year in a row, MKT is providing a cloud security solution for all state schools and dormitories.

FTTH roll-out continued in 2016 with 26% homes passed with fiber technology giving the opportunity to the customers to have super fast Internet within the new portfolio.

Furthermore, special attention was paid to the ICT segment and the image of MKT as an innovator and driver of smart ICT solutions.

### Sales channels

MKT has developed different sales channels in order to serve the customers from different segments. The direct sales channels comprise: own retail network, telesales, on-line sales channel, technicians, direct sales agents, account managers (for Institutional and Large Accounts) and a multichannel logic in the sales and service of the SME (Small & medium Enterprises) SOHO (Small-Office-Home-Office) segment. The development and sale of ICT solutions is performed for different types of business customers. The indirect sales channel is based on indirect master dealers with their own network of shops, partner shops and kiosks. An external company engaged in 2014 continues with telesales activities (proactive retention and loyalty activities were also introduced). The same external company is engaging people for newly established D2D sales channel.

The main sales channels are MKT's shops. There are 36 shops as at 31 December 2016. All shops are offering the complete mobile and fixed product portfolio under the same conditions and with the same customer service level. In addition to the sales, the employees in the shops were also focused on service excellence. By using the boost tools, they achieved the sales targets for 2016, with the main focus on Magenta 1 and post-paid packages. The biggest portion of the Magenta 1 sales transactions were done over shops.

The partners' presentation in the own shops continues in 2016 with the implementation of a new content on m-Walls and Window Digits. The partners' stages in the refurbished shops were used for the same purpose.

The existing channel of direct sales agents was replaced with D2D channel in June, 2016. The staff in this channel was engaged through an external company with the main focus on FTTH sale. In order to achieve a high level of service excellence, trainings with DT support were organized.

Sales activities that include home delivery via telesales were used in 2016 for the retention of fixed and mobile subscribers.

The e-business provided an upgraded Telekom MK self-care mobile application. The user experience of mobile version of www.telekom.mk was improved according to the highest standards. The

online sales channel was further developed with the introduction of new features (such as payment with loyalty points and an online calculator for the customization of Magenta 1 according to the customers' needs) which increased the transactions through web shop. Several online sales campaigns were launched in 2016 to increase the online sales results. We introduced a Single Sign-on which provides a unique account sign-in credentials and a user centricity model for the authentication and authorization that allows a seamless interaction with all existing and future Telekom applications and e-services.

Another channel of the distribution network of MKT is the dealers' cooperation. As at 31 December 2016, the network consisted of 6 master dealers with 61 shops as MKT partners. The majority of the MKT master dealers' shops are offering the full MKT portfolio. In all master dealer's shops bill payment was fully implemented in 2016. In addition, prepaid vouchers are also available in 4,015 kiosks. More than 3,000 kiosks are performing top-up over MKT's processing centre. Additionally in Q4 2016 two new Master Dealers were introduced in the network, one authorized for Vouchers only, other for Vouchers and Business Segment.

A part of the MKT product portfolio (e.g. telephone sets, TV sets, computers, printers, network equipment and home appliances) is available to the customers using payment by instalments through their telephone bill.

### Communication strategy

The communication strategy that was executed in 2016 supported and promoted the best network image of the company, as well as the unique and improved portfolio of services to suit the demands of different age target groups.

The image campaign with which MKT started the year relied on the best network in Macedonia attribute, as it was confirmed by the citizens in the research for the overall perception among the telco operators. For the post-paid customers, the new Smart post-paid portfolio, with more data and a unique feature-data rollover was communicated. The flagship portfolio Magenta 1 continued to be in the focus of communication, with the simplified and improved portfolio and the “Cool” option for the youth. All of the executed campaigns launched in 2016 aimed to strengthen the image as the best network operator and increase the awareness of the benefits provided with the services/products

SHARING BEAUTIFUL  
MOMENTS IS THE BASIS OF  
ALL OUR INNOVATIONS!

An integrated marketing communication strategy using the available and adequate channels (TV, radio, print, out-of-home advertising, social media channels) was used to achieve a high-impact reach to all target groups. However, in 2016, the bigger focus and exploit was on digital communication as a fast developing communication trend with targeted digital campaigns to generate higher reach and customer engagement. With the focus on the digital aspect, social media was the pushed channel for interaction and engagement with the customers by delivering relevant and authentic content in line with the brand promise “Life is for sharing”. This approach aims at enhancing brand likeability and acceptance among all target groups. MKT was the first operator in Macedonia that introduced Viber communication and the first one that opened the Snapchat channel. All of the integrated communication activities are aimed at strengthening the relation with the brand in the era of digital communication.

In the business sector, the communication focus was placed on strengthening the image of MKT as an innovative operator offering integrated communication services, with an emphasis on the Magenta 1 Business portfolio, combining communication and innovative services in one package and a reliable partner for building a long-term partnership.

The competitive pressure in conjunction with the saturated Telco market, the complexity of the business environment with multiple and more sophisticated customer segments, multiple vendors and complex service offerings, fast changes in the technology with a new technology paradigm targeting one universal IP network and a Cloud based service delivery platform, as well as changes in the regulations, are only part of the challenges that MKT will face in the next few years.

