



Microsoft Windows Mobile Mobile Operator Case Study



Windows Mobile-Based Handsets and Services Attract Consumers and Enterprise Users

Overview

Country or Region: Spain
Industry: Telecommunications

Customer Profile

Based in Spain, Amena is one of Europe's most successful new mobile operators. Since its founding in 1999, it has signed up more than 9.5 million users— 25 percent of Spain's wireless market.

Business Situation

Always looking for opportunities to demonstrate its leadership, Amena wanted to develop new data services to increase its appeal to consumers and business users.

Solution

Amena developed two new services— mobile MSN Messenger and mobile access to corporate e-mail—combining a heavily discounted Motorola MPx200 handset with a flat monthly rate in both cases.

Benefits

- More than 100,000 devices sold
- 240 percent ARPU (average revenue per user) uplift
- SMS traffic increased by 143 percent
- GPRS traffic increased by 300 percent
- ARPU increased by 140 percent

“The Windows Mobile platform has enabled us to continue our leadership strategy of being the first to market with exciting new services.”

Alberto Calero, New Mobile Services Director, Amena

Amena, a highly successful mobile operator based in Spain, emphasizes innovation. Seeing an opportunity to attract consumers and business users with Microsoft® Windows Mobile™-based solutions, the company combined a heavily discounted Motorola MPx200 handset with a flat monthly rate for two new mobile services: Microsoft MSN® Messenger and corporate e-mail access. A few months after launching both services, Amena has signed more than 100,000 new subscribers. Of all the data services that Amena has launched, the two Windows Mobile-based solutions have generated by far the largest increase in users. For example, MSN Messenger had a 50 percent trial rate and a 35 percent conversion rate. What's more, it increased SMS (Short Message Service) usage by 143 percent and data ARPU (average revenue per user) by 240 percent. The new handsets and services have been so successful that Amena is looking forward to broadening the variety of Windows Mobile-based handsets it offers and adding new data services to target small and home-business users.

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Alberto Calero, New Mobile Services Director, Amena

Situation

Amena is the most successful new mobile operator in Europe. In the six years since its founding, Amena has signed up more than 9.5 million users for its mobile services, representing 25 percent of Spain's wireless market.

The secret to the company's success, according to Alberto Calero, New Mobile Services Director at Amena, is that it positions itself as an innovator, challenges the market with new concepts, and excels in executing its plans. As an example of its leadership role, the company offers its subscribers 85 different mobile data services, ranging from Multimedia Message Service (MMS) to mobile video to location-based navigation services. In the case of 35 of these services, Amena was the first company to introduce the service to the Spanish market—and in some cases it was the first in Europe.

“We make it a practice to introduce new mobile services before the competition,” Calero says. “We're always looking for new opportunities to demonstrate our leadership.”

The company's leadership position was recently formally recognized by the Spanish government, which in 2004 awarded it the prestigious Prince Philip Award for Entrepreneurial Excellence.

Solution

Continuing its pursuit of innovation, in January 2005 the company saw an opportunity to increase its appeal to younger consumers—who are already attracted by the company's “cool” image—by offering them a mobile version of Microsoft MSN Messenger, a service that enables users to exchange text, voice, and video messages with each other

online in real time. With more than 6 million consumers in Spain already using MSN Messenger on their desktop systems, and half of them accessing the service on a daily basis, Amena expected that a good percentage of them would be interested in a mobile version of the service.

Another opportunity, identified by Amena in June 2004, consisted of offering corporate e-mail access to mobile users, including synchronization with Microsoft Exchange Server 2003—a service that was previously available in Spain only for users of BlackBerry devices. Amena saw this service as further increasing the company's appeal to enterprise subscribers.

Why Windows Mobile?

For both new services—MSN Messenger and e-mail—Amena put together solutions combining a heavily discounted Motorola MPx200 handset based on Windows Mobile 2003 with a flat monthly rate for the new service. The company chose a handset based on the Microsoft Windows Mobile platform for several reasons:

- **Ease of use.** This was a critical factor for Amena, as it wanted to make sure its customers had a good experience in moving to the new handset. “Ease of use is very important to us,” says Calero, “and the Microsoft operating systems are very well known and easy to use.”
- **Broad compatibility.** A large number of applications are available for the Windows Mobile platform, making it easy for Amena to offer its subscribers new data services. Also, most businesses run Windows-based applications, which can be easily extended to run on Windows Mobile-based devices.

“For businesses that have large numbers of users, a service based on Windows Mobile-based devices is much more attractive financially than one based on BlackBerry devices.”

Alberto Calero, New Mobile Services Director, Amena

- **Reliability.** Before introducing a new handset and operating system to the Spanish market, Amena wanted to make sure they met the company’s reliability requirements. Working with Motorola and Microsoft, Amena successfully certified the Windows Mobile-based handsets within its network.
- **Best value.** Amena found that Windows Mobile-based handsets offer the best value to businesses, consumers, and mobile operators. “For businesses that have large numbers of users, a service based on Windows Mobile-based devices is much more attractive financially than one based on BlackBerry devices,” says Calero. “Not only does the device itself cost less, so businesses can offer it to far more employees, but they also avoid the infrastructure cost of having to add a dedicated BlackBerry server. For consumers, the Windows Mobile platform makes more services available—such as MSN Messenger—so consumers get more for their money. And for us as a mobile operator, Windows Mobile-based solutions are more financially attractive because we don’t have to share our revenues with Microsoft and don’t have to pass this cost onto the corporate customers.”

MSN Messenger Service

The MSN Messenger service targets consumers by combining an attractive handset price with a low flat monthly rate. Subscribers pay just €9 to €99 for the handset (depending on whether they choose the postpaid or prepaid options). That contrasts with the device’s suggested retail price of €150, which includes no airtime.

Subscribers get unlimited use of MSN services for just €6 per month.

E-mail Service

The e-mail service targets business users. The MPx200 was more expensive when that service was introduced, with a suggested retail price of €199, but Amena’s solution made the device available for free when bought in conjunction with the e-mail service with a flat fee of €12 per month (for up to 100 MB of e-mail). “At that time, BlackBerry was offering its e-mail service for around €48 per month,” notes Calero, “but they reduced their price shortly after we launched our service.”

Promoting the New Services

Amena launched both new services with major marketing campaigns. For MSN Messenger, the campaign included TV ads, point-of-sale materials for retail stores, offers on the company’s Web site, and special channel offers. For the e-mail service, the original campaign consisted of newspaper and magazine ads—and now that Amena is expanding the target market to include small office and home office users, it will be adding a TV campaign as well.

Microsoft has lent its full support to Amena, beginning several years ago, when the two companies first began working together. Microsoft introduced Amena to its partners, helped it to find a low-cost Windows Mobile-based handset, and worked with it to formulate offers that would be attractive to both consumers and enterprise users. Top Microsoft executives also participated actively in Amena’s launch of its e-mail service and have continued to work with the company in its launch of MSN Messenger.

Benefits

The results of the marketing campaigns demonstrate that the Windows Mobile platform is attractive to both consumers and enterprise users. Amena is realizing a broad range of benefits from its Windows Mobile-based handset and services.

Tremendous Interest in the New Services

Currently, nine months after the launch of the e-mail service and three months after the launch of the MSN Messenger service, Amena has signed more than 100,000 subscribers.

More Active Users than Any Other Data Service

Of all 85 data services that Amena has launched, the Windows Mobile-based solutions have by far the largest percentage of users. For example, within two months of the launch of MSN Messenger service, more than 50 percent of subscribers who purchased a Windows Mobile-based handset had tried the service at least once, and more than 35 percent are currently subscribing to it. These statistics are particularly impressive when compared with typical usage rates for new services, which range from 10 to 15 percent.

Increase in GPRS Traffic

The GPRS (General Packet Radio Service) traffic for enterprise users of Windows Mobile-based devices is more than four times higher than that of enterprise users of devices based on other platforms.

ARPU Uplift

Since launching the new MSN Messenger and e-mail services, Amena has seen its ARPU more than triple, increasing by 240 percent for the subscribers using the MSN

Messenger solution and by 140 percent for those using the e-mail solution.

High User Satisfaction

Surveys indicate that Amena's users are extremely happy with their Windows Mobile-based handsets. More than 92 percent of respondents answered "Yes" when asked, "Are you satisfied with your MPx200?" And two-thirds of the respondents agreed with the statement, "It is the best handset I've ever had." In fact, a whole consumer community has been built around the device and Amena's mobile MSN Messenger service (for example, see www.mpx200spain.com).

Continued Strong SMS Usage

A particularly interesting result is that the addition of the MSN Messenger service has not resulted in the cannibalization of Amena's SMS revenues—an outcome that some mobile operators have feared. In fact, quite the opposite is true: usage of SMS has more than doubled since the introduction of the MSN Messenger service, increasing by 140 percent. Amena is not surprised by this result, as the focus group tests it conducted before launching MSN Messenger indicated that young people—the primary users of both services—see them as complementary, in the same way that SMS and voice, or voice and videoconferencing, are complementary. For example, they may use mobile MSN Messenger as an extension of MSN on the PC, continuing conversations started on the PC—a purpose for which SMS is not suitable. As for why SMS usage would actually increase among users of MSN Messenger, Amena has found that some subscribers use SMS to arrange appointments for MSN Messenger sessions.

For More Information

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For more information about Amena, visit www.amena.com

Next Steps

Moving forward, Amena plans to extend its current offer with a broader variety of Windows Mobile-based handsets. The company is also working on obtaining the devices at a lower cost, so it can offer them to its subscribers at more competitive pricing. These steps will enable Amena to put together new offers that will appeal to an even broader range of consumers and business users, further increasing the company's market penetration. The new offerings will also target a new segment, small and home business users, which represent a middle ground between the consumer and enterprise segments.

In addition, Amena is planning on working with Microsoft to introduce innovative services for the emerging wireless home and mobile multimedia environment—an environment that includes music, TV, games, and photography.

Even at present, however, with just one handset and two Windows Mobile-based services to offer subscribers, Amena has experienced tremendous success with the platform. "The Windows Mobile platform has enabled us to continue our leadership strategy of being the first to market with exciting new services," says Calero. "By offering the right service at the right price and promoting it with the right marketing campaigns, we've been very successful—and we expect that success to keep growing as we bring new Windows Mobile-based

devices and services to market. We will continue taking a leadership role in developing the new smartphone market by systematically introducing the most innovative services and business models based on the emerging new technologies."

Windows Mobile

Windows Mobile helps operators create and sustain richer, deeper relationships with customers with its robust set of innovative devices and services, customization options, and marketing partnership opportunities. Windows Mobile drives higher ARPU and revenue by encouraging incremental device usage and enabling new usage scenarios. Windows Mobile offers operators a versatile and attractive end-to-end mobile solution for enterprise customers. Enhance marketing impact and customer engagement by partnering with the recognized and respected Microsoft and Windows brands.

For more information, please visit www.microsoft.com/mobileoperators

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Document published June 2005

Software and Services

- Microsoft Windows Server System™
 - Microsoft Exchange Server 2003
- Microsoft Windows Mobile 2003 software
- MSN Messenger

Hardware

- Motorola MPx200

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