

# Network Services Marketing: The Case of Mobile Financial Services for Everyone

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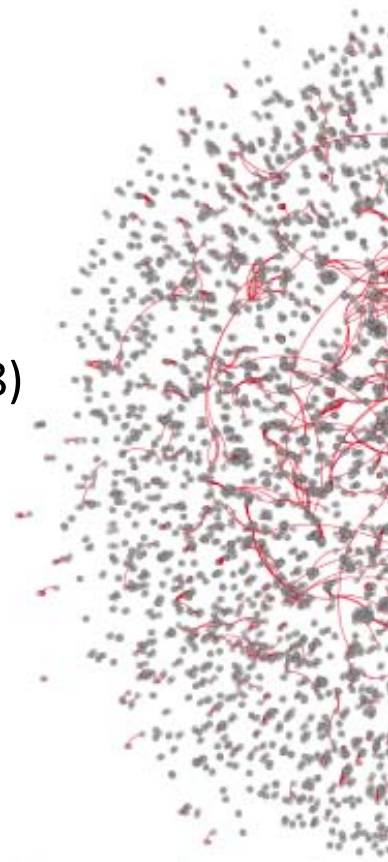
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# Agenda

- Background
- easypaisa
- Implications

# Background

- Importance of networking services
  - E.g., Google passes Exxon in market-cap (Fortune 2014)
  - Approx. 40 of US GDP (D. North 1990; C. Christensen et al. 2009)
  - Unique business models for value creation (C. Stabell and Ø. Fjeldstad 1998)
- Opportunities in emerging markets
  - Case of mobile financial services
- Advancing marketing science
  - Challenging the fundamental assumptions of segmentation, positioning, diffusion processes, and customer relationship management
  - Emerging research area (e.g., S. Wuyts et al. 2010)





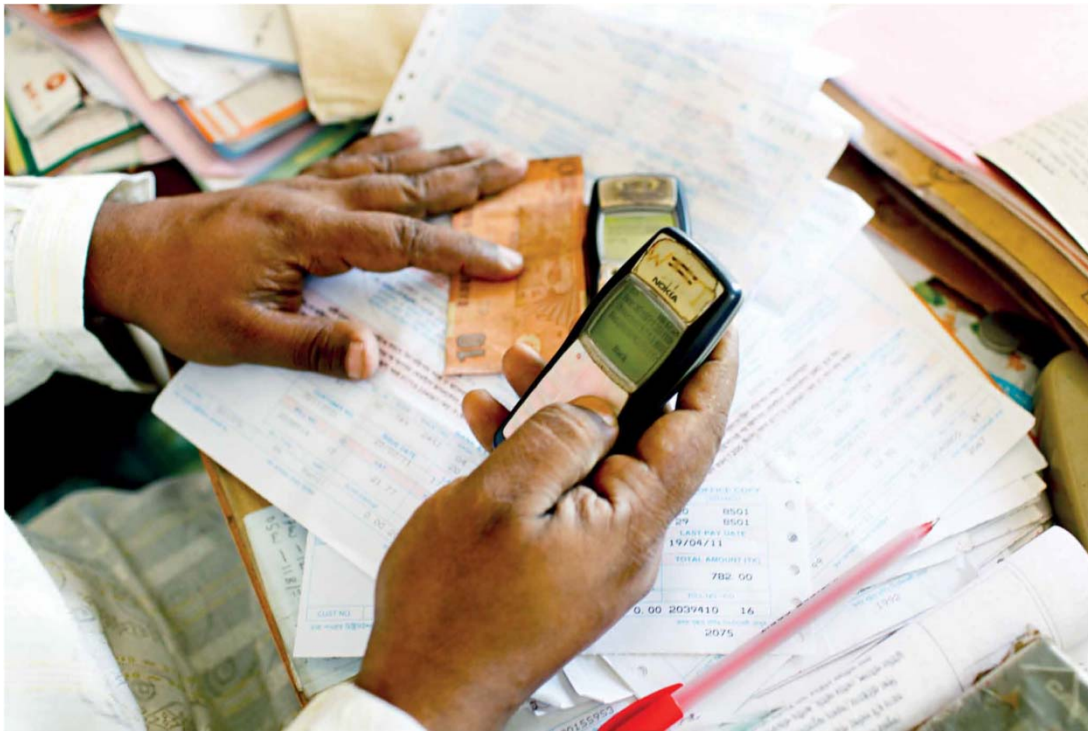
- 172 million mobile subscriptions
- One of the top 500 global companies by market value
- Listed among the top performers on Dow Jones Sustainability Indexes
- Revenues 2013: NOK 17 billion
- Workforce: 33,000 employees
- Mobile operations in 13 markets
- Mobile financial services operations in most of their markets

# Sending money home is slow and expensive



- 12 % of population with bank account
- Find bus and agree fee with bus driver
- Takes hours and days
- Notice family which bus to observe to receive money
- Risk of theft

# Basic infrastructure



- 65% of population with mobile telephony
- Vast agent network to top up prepaid

Use this to build financial services

- Low familiarity
- Low trust
- No-one-to-pay-to problem

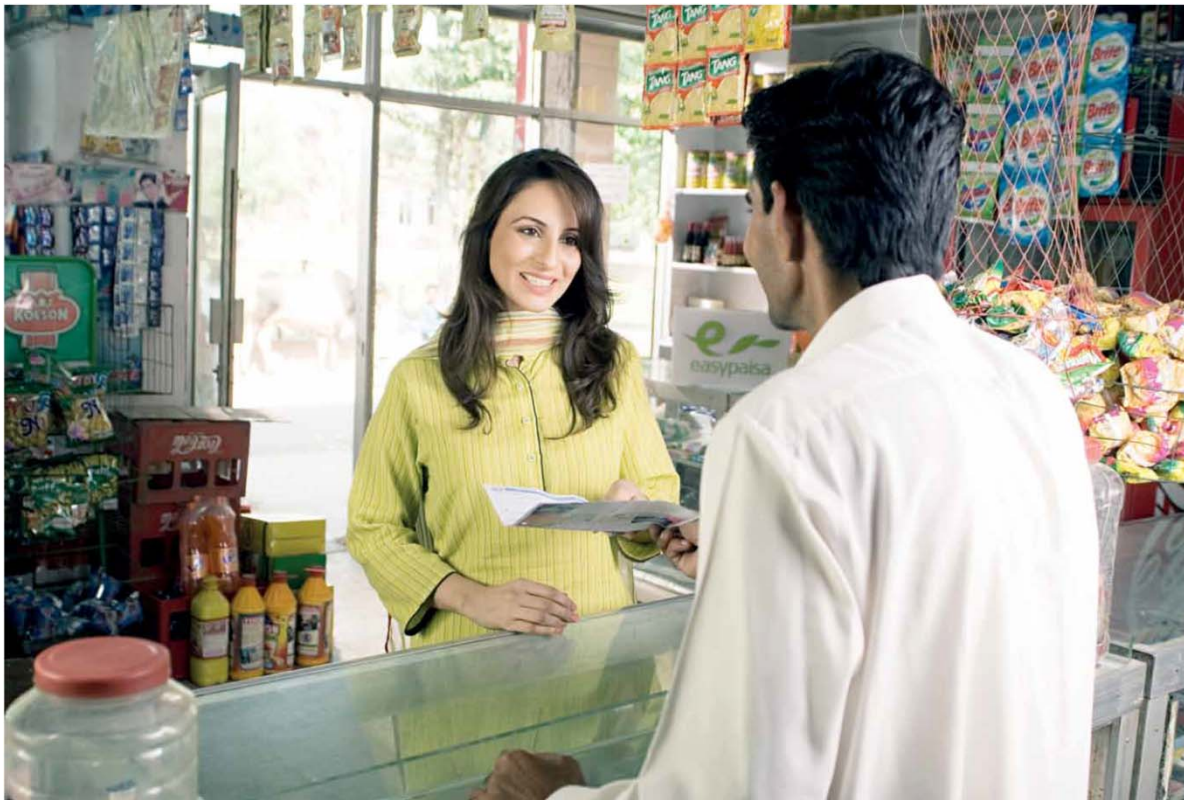
# How the easypaisa service works



1. Hand cash to agent
2. Identify
3. Notify recipient
4. Recipient claims cash at nearby agent

- Long opening hours
- High trust
- Instant transfer
- Low fee

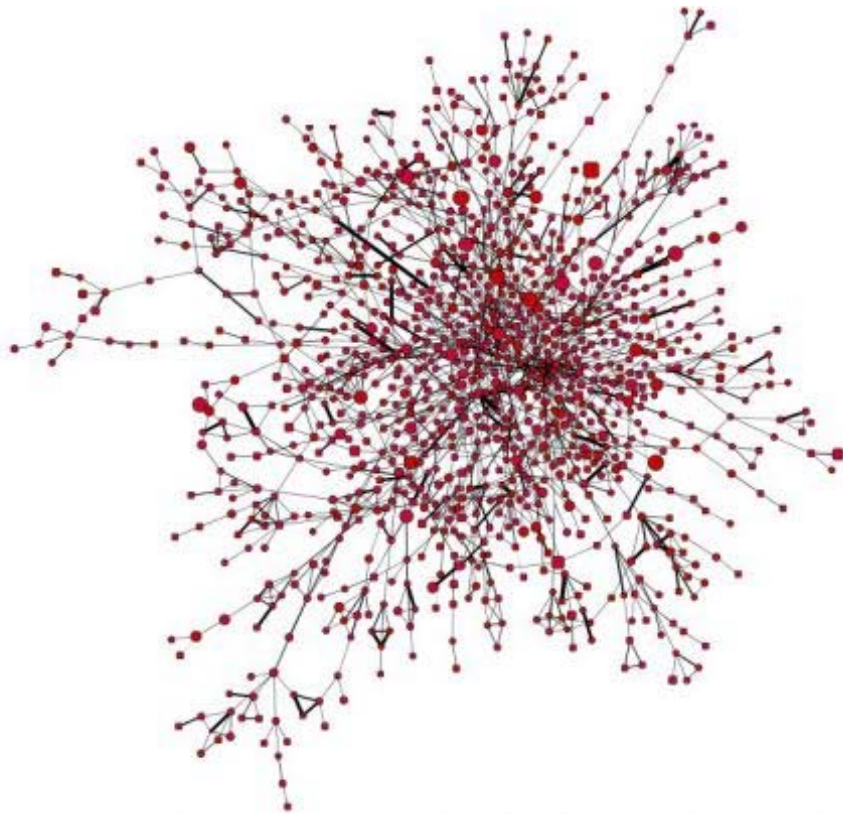
# How to reach critical mass



- Build netspectations
  - Telenor brand endorsement
  - 80% brand recognition
- Decide which specific relations to target first



# Customer recruitment strategy



- Bill Payments and Peer-to-peer payments over-the-counter
- Mobile accounts
- Salary and pension disbursement
- International remittance
- Savings with embedded insurance
- (Interconnect)

# The largest financial network in Pakistan



- 35 000 active agents
- 2 BUSD throughout in 2013
- 6 mill unique users every month

# Create and combine connections

- Building a network
- Building netspectations

Love your customers, they love each other!