

AN INTERVIEW WITH

bango[®]

Gold Winner at the Future Digital Awards
for Telco Innovation 2023

 **JUNIPER**[®]
RESEARCH





1.1 Mover & Shaker Interview with Bango, Gold Winner at FDA Telco Innovation 2023, Bango Resale



Anil Malhotra is the Co-founder and Chief Marketing Officer at Bango. Anil is responsible for Bango's global marketing activities and partnerships with app stores, OEMs and global network operators. Anil has extensive experience creating successful partnerships between fast-moving innovators and major market players.

Before co-founding Bango, Anil developed global partnerships for Cyberlife Technology, one of Europe's leading computer games technology developers, which

resulted in the licencing of the company's AI technology to the world's leading games publishers, including Warner and Hasbro. Before that, he worked with Bango Exec Chair Ray Anderson at IXI, establishing a technology called X.desktop as the global user interface standard for networked computers.

1.1.1 As an emerging business model, can you explain what Super Bundling is?

Super Bundling is where companies with large-scale consumer reach, for example telcos that connect people through mobile, fixed line and broadband, offer their consumers a wide range of subscriptions products and services for both digital and physical goods. Super Bundling is driven by the growth of subscription-based product offers, which are delivered either online or physically. Content businesses and retailers are now more inclined to offer these services as a subscription.

Super Bundling involves these large-scale, nationwide businesses who can form effective aggregation, distribution and management points for millions of consumers who want to buy products and services as bundled packages and subscriptions.

1.1.2 What is the Super Bundling opportunity for carriers?

Firstly, telco and broadband operators provide an attractive value proposition for content providers when considering their distribution and customer acquisition plans. If you are a business who offers a product or service through a subscription, then you can reach millions of consumers through a single telco. This then allows these content providers to penetrate many consumer segments by building relationships with a small number of major operators in a particular country.

Along with providing this great distribution reach, operators have a pre-existing billing relationship with their customers. Particularly with highly digital countries, nearly 100% of the people will have a relationship with their local operator. Therefore, if you consider both these distribution and billing aspects, telco and broadband operators are a great channel, offering two of the most important ingredients of success in the subscriptions business.

Also, there is a clear, complementary partnership between the companies who have the reach, such as telecommunication companies, and the companies offering the product and services that the consumers want. Super Bundling gives carriers product variety, relevance and a reason to stay in touch with their subscribers. Subscription bundles provide a point of differentiation from competition – there are opportunities to subsidize a proportion of a service to acquire more customers and build stronger relationships with high value customers.

The Super Bundling opportunity for carriers is also demonstrated by the impact this business has on core KPIs (Key Performance Indicators). Three key KPIs for telecommunication companies include ARPU (Average Revenue per User), **reduce** churn, and **increase** subscriber lifetime value. These are all positively impacted by the use of a Super Bundling business model.



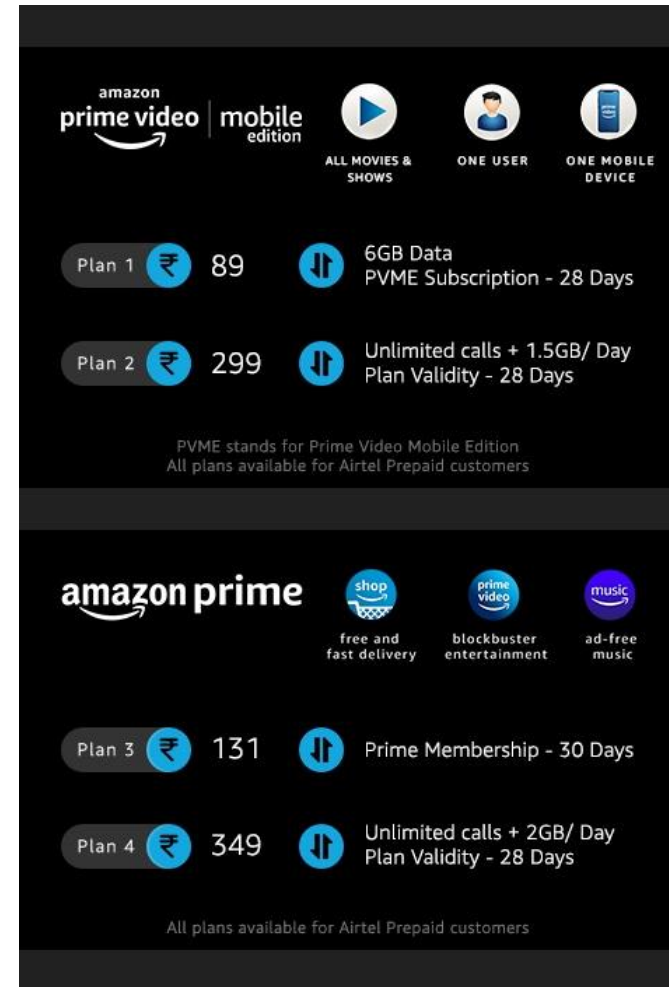
1.1.3 How has consumers' demand for subscription services driven the idea of Super Bundling?

Recent consumer spending data shows that the average spend on socializing is going down, but the average spend on media subscriptions consumed at home has increased. From our own research, our Bango consumer survey showed 85% of Americans have at least one subscription and recent Juniper Research data shows in the US, the number of subscriptions per person is increasing from 2.2 in 2018 to 5.3 by 2026. Another interesting statistic was from Parks Associates which showed 23% of Americans have 9 or more subscriptions.

Subscriptions are a significant part of household spending now. While the good news is that consumers respond positively to subscriptions as we see with the growth of the subscription economy, the bad news is that during a recent survey, 78% of consumers surveyed in the US stated that they felt they had too many subscriptions. While these consumers could not articulate why they felt they had too many subscriptions, when presented with the proposition of being able to manage all of the subscriptions in one place, on one interface and on one bill, more than 70% of these consumers said that they were likely to take out more subscriptions. There is a curious paradox, as the same consumers who feel that they have too many subscriptions, would likely take out more subscriptions if they were simpler to manage and easier to control.

An example of Super Bundling includes Verizon's +play service which provides a customer-friendly, highly integrated, multiple-service subscription hub. Another example of this is shown in India, with Airtel's bundling for subscribers which ensures that with a continuous stream of top-up payments to a certain level of expenditure every month, they will get Amazon Prime Video Mobile Edition for free.

Figure 1: Amazon Prime Mobile Edition & Amazon Prime Deal for select Airtel Pre-paid subscribers



Source: HD Tech



Consequently, operators are in a strong position to relieve the pain points that this consumer survey revealed, as they have the capabilities to provide an interface that aggregates subscriptions and only has one bill, while providing an incentive to try out new services. Therefore, it is addressing important consumer needs of control, flexibility and choice. flexibility and choice.

1.1.4 How do service providers, such as Netflix and Amazon Prime, benefit from Super Bundling?

The number one objective for these service providers is customer acquisition, with average revenue per subscriber per month also being highly important. Therefore, having services bundled into current subscriptions will tempt subscribers into taking out more premium services.

However, there are also some more subtle benefits to Super Bundling. The data we can see suggests that consumers are reluctant to try new services out if they think it will be difficult to cancel. Additionally, if the only option for getting out a subscription is to cancel it, consumers that cancel are less likely to come back. Therefore, Super Bundling providers can allow for more granular controls of these subscriptions to allow consumers to 'Suspend and Resume' their subscriptions to each service. Consequently, consumers will be more comfortable taking out more subscriptions if they have the option to pause subscriptions without losing their content status or history. Giving consumers this choice will be pivotal in seeing how far this subscription market can go.

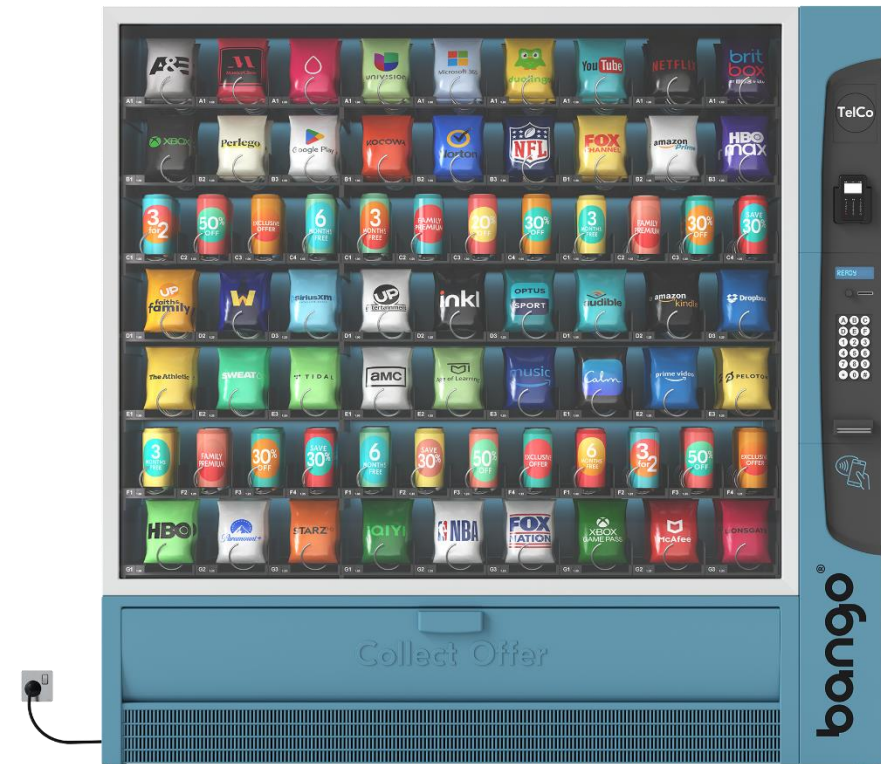
1.1.5 How do mobile subscribers benefit from Super Bundling?

The first benefit is that Super Bundling provides complete transparency. The comfort of knowing that all subscriptions are in one place gives consumers the security of knowing how much they will be charged and when. Secondly, there is the advantage of choice with Super Bundling hubs presenting a range of subscription tailored to the interests and needs of their consumers.

Bango's Digital Vending Machine visualizes multiple subscription products through a vending machine-inspired user experience, and one which allows consumers to personalize their subscription choices. As this had been deployed for a number of

vendors, including Verizon and Optus, Bango is building a rich data set showing how one type of subscription compliments another. It allows us to configure subscriptions offers and bundles to segmented groups of subscribers. For our telco partners, these insights enable them to create the offers most likely to succeed.

Figure 2: Bango's Digital Vending Machine Solution



Source: Bango



1.1.6 What can carriers do to maximize the opportunities in Super Bundling?

Many global carriers have done basic bundling where they have taken one third-party service and bundled it into a data plan. However, Super Bundling boosts this activity by an order of magnitude. Even though this imposes more technology and operational complexity, Bango has incorporated all the key requirements in our standardized Digital Vending Machine Super Bundling solution. This allows the telcos to focus on a product mix that suits their particular markets, and they can market the Vending Machine to look like a first-party solution. With this, my advice for carriers is to make the switch from simple bundling to Super Bundling, as this will give telcos the power to meet the consumer need for control, flexibility, and choice. Our data showed that 58% of subscribers would leave their current TV/broadband/mobile provider if this service became available elsewhere.

There is no advantage for telcos to build a Super Bundling in-house as technology, such as Bango's Digital Vending Machine, already exists and is pre-configured to offer the subscription services from the biggest and most desirable players globally. This negates the need for telcos to build and manage relationships with multiple providers and allows them to focus on the price, marketing and personalization aspects of the Super Bundling solution. Building these partnerships is time-consuming and therefore, leveraging a pre-existing ecosystem gives early-mover advantage in the evolving and fast-growing subscriptions market.

Learn more on how telcos can capitalize on the Super Bundling opportunity by downloading a recent whitepaper [here](#). Reach out to Bango for more information about Super Bundling at sales@bango.com.