twimbit

Asia Pacific telecom service provider winners

recognising
winners shaping
our future

The "twimbit Asia Pacific telecom service provider winners" program has been instituted to recognise outstanding performers in the industry. The winners are decided based on the extensive research done by our analyst team over the last 12 months. We hope these awards will motivate and inspire individuals, teams and leaders to continue their journey in driving growth and innovation for the industry.

Selection Process

- The winners are decided based on **extensive research of all publicly released material by the companies.** So, if you have reported your progress, we have captured it.

- There are **no nominations** to be evaluated for this program. We believe that having a nomination process restricts the universe of companies being considered for identifying the winners. We have taken the approach to evaluate every company that discloses information and competes in the market.

- **Criteria for selection:** A high degree of emphasis has been placed on quantitative metrics such as revenue growth, subscriber growth, EBITDA margins, etc.

- We defined the **categories** and its specific measurements to showcase how the leaders are transforming and driving the industry forward.

- For each winner, best practice insights are provided as to what makes them special.

- The winners are published on *www.twimbit.com/winners.*

Organisations are welcome to use the recognition without any constraint or copyright issues. Additionally, premium deliverables such as winner logos, write-ups, analyst quotes and presentations are available on request.

We welcome all forms of feedback as we endeavour to make this a credible program that supports the growth of this industry.

twimbit Asia Pacific telecom service provider winners 2022

#	Award	Winner
1	Best Customer Experience	SK telecom
2	Best In-store Experience	NTT docomo
3	Best Digital Experience	KDDI
4	Best Employee Experience	SK telecom
5	Best Network Innovation	Rakuten Mobile
6	Best telco to ace "Diversity in Leadership"	Spark nz
7	Best telco to ace "Growth beyond connectivity"	SoftBank
8	Best telco to ace "E-commerce"	Taiwan Mobile
9	Best telco to ace "Financial Services"	airtel
10	Best telco to ace "Content & Media"	SK telecom
11	Best telco to ace "5G"	China unicom 中国联通
12	Best telco to ace "Enterprise Business"	中国移动 China Mobile
13	Telco of the Year	airtel

① Best Customer Experience

Intense price competition and declining EBITDA margins have sieged the telecom industry. Moreover, telecom service providers are impacted by poor Net Promoter Scores in customer experience when pitted against the global tech giants. Industry leaders acknowledge the urgency in investing and transforming customer experiences for the better if they intend to improve profitability, reduce costs and develop new innovative services.

In our experience, this transformational journey for a telco must include a 360-degree view of its stakeholders as it drives value creation for customers. Telcos can achieve this transformation by creating:

- a digital-first experience
- exceptional employee experience
- seamless service experience
- and a positive brand experience.

*twimbit recognises SK Telecom (SKT)
for delivering the best overall customer experience.*

"SK Telecom aces Customer Experience with a focus on AI and Employee Experience."

Its strong drive to enhance employee experience served as a blueprint for delivering exceptional customer experience. Also, the service provider focuses on leveraging AI, analytics, big data, and other consumer-oriented technologies to deliver a seamless digital experience.

- The SKT experiential store 'T Factory' showcases how SKT has transformed from a telco to an ICT player by seamlessly connecting the customers' offline and online experiences.

- SK Telecom has been building a positive brand experience for its customer base. SKT manages the 'Happy Credit' program in which customers accumulate points for purchasing goods from social enterprises and SMEs across its various platforms. The customer donations (points) are used to run the AI care service for seniors and the SKTs coding school project for youth with disabilities.

② Best In-store Experience

A better service experience gives a telco the edge over its competitors. To make a better experience, the experience must go beyond the network and the product. The transition to digital accentuates this trend as consumers do not need to visit physical stores to acquire services or receive customer support. Instead, the physical storefronts now need to find new purpose and relevance in the overall customer's journey, as they still play an important role in helping define the brand identity.

*twimbit recognises NTT Docomo
for delivering the best in-store experience.*

"NTT Docomo aces In-store Experience with its 'd garden' concept stores as it shifts focus from selling to orchestrating an experience."

- NTT Docomo has retail stores as brand experience centres. You don't have to be a Docomo user to experience their services.

- 'd-garden' shops are proof of concept that focuses on "shop in a space", specialising in communication and experience-focused content.

- NTT Docomo designs its stores explicitly to fulfill people's diverse needs across the various age groups, from children to elders. For example, it has a café, a Docomo smartphone classroom, a beverage vending machine with a cashless experience, a Docomo shop and mobility services within the store.

- The operator would also continue to expand services to improve the experience for all people visiting via sharing bikes, shared batteries, and deploying storage batteries in case of disaster.

③ Best Digital Experience

Today's customers are digitally savvy and more open to adopting new technology. The challenge for telcos lies in the high service benchmarks set by digital natives Netflix, Spotify, and Amazon.

Digital initiatives are crucial for operators to extract insights about consumers. Adopting the right CX technologies paves the roadmap toward building a great customer engagement platform and optimising customer interactions.

A digital-first experience has to marry omnichannel communication, service personalisation, digital platforms & mobile application, and security & privacy into a single fabric.

*twimbit recognises KDDI
for delivering the best digital experience.*

" KDDI aces Digital Experience with seamless integration of communications and life design services. "

- KDDI has been expanding life design services using emerging technologies, with the operator shifting from customer acquisition to enhancing service experience.

- The life design service is an example of integrating big tech to deliver a personalised digital experience to customers.

- "au" is strengthening its point of contact with customers by using big data to find entry points into users' lifestyle needs".

- "'Au pay'" is being positioned as a SUPER APP that will become the launchpad for customers' daily life activities by integrating services such as hailing taxis and making restaurant reservations.

④ Best Employee Experience

A good customer experience always starts with the employee, the driving force behind customer satisfaction. EX in the telecom sector is at an inflection point as telcos look to support an increasingly remote workforce while maintaining culture, communication, and productivity. Doing this will involve delivering a holistic employee experience that includes:

- learning and development
- compensation and benefits
- culture
- employee empowerment
- and leadership accessibility

twimbit recognises SK Telecom
for delivering the best employee experience.

" SK telecom aces employee experience by recognising employee experience as a business strategy "

- SK Telecom actively measures employee happiness using digital tools and uses this data to improve employee policies. For example, 'Employees Happiness Survey' identifies employees' perception of work-life happiness in a bottom-up approach.

- The company also implemented the following based on employee feedback:
  - A unique non-rating-based performance evaluation method to avoid internal competition between employees.
  - Haenggarae is an everyday social problem social platform for employees to increase their understanding of social value.
  - "I'M Here" is a communication tool between the CEO and employees.

- Additionally, each time an employee makes a social contribution, they get rewarded via a blockchain-based SV rewards system.

5 Best Network Innovation

The network infrastructure of telecom service providers is witnessing a massive transition from traditional RAN infrastructure to virtualised network infrastructure. This paves the way for a gamut of new possibilities both in service creation, automation and cost transformation.

twimbit recognises Rakuten Mobile
for the best network innovation amongst telcos in the Asia Pacific.

" Rakuten was the world's first to run a fully virtualised mobile network "

- The Japanese conglomerate focuses on multiple businesses such as commerce, digital infrastructure, and technology. It launched its mobile network to compete against entrenched competitors such as NTT Docomo, KDDI, and Softbank.

- Its greenfield deployment has been a key discussion in the industry.

- The network is fully virtualised from the radio access network (RAN) to the core, with end-to-end automation for both network services and functions.

- Its recent acquisition of Altiostar for USD 1 billion and the creation of Rakuten Symphony make them one of the strong contenders in the Open RAN ecosystem.

6 Best telco to ace "Diversity in Leadership"

Building a diverse and inclusive workforce is becoming a priority for every company. Special emphasis is being directed towards addressing the lower women representation in the telecom industry talent pool.

twimbit recognises Spark
as the Best telco to ace "Diversity in Leadership"

" Spark is the first telecom company in New Zealand to achieve the Rainbow Tick certification in 2017. "

- The Rainbow tick certificate is awarded to companies that embrace the diversity of sexual and gender identities.

- Spark Board is 43% women and 57% men; three are women directors (including the CEO), while four directors are men. Leadership teams are split 50:50 between both genders. They also have 42% women in senior roles (outside the Board and Leadership Squad).

- Spark has set a goal to reach 40:40:20 representation Spark-wide (40% men, 40% women, and 20% gender-irrespective and gender diverse representatives)

7 Best telco to ace "Growth beyond connectivity"

Telcos are seeking growth beyond their core (connectivity services). They are exploring opportunities in adjacencies (non-connectivity). The Asia Pacific region, with its diversity, offers a fascinating view of the varying strategies adopted by telcos amidst the growing confidence that they can win in establishing digital businesses.

Telcos are establishing and growing their presence in digital and non-connectivity service segments and this is beginning to show results. For example, in 2021, Asian telcos noted an increase of 20.8% YoY growth in non-connectivity revenue compared to 6.5% overall revenue growth.

*twimbit recognises Softbank
as the Best telco to ace "Growth beyond connectivity"*

" SoftBank is building its growth prospects as a SUPER APP. "

- The non-connectivity segment of Softbank contributes approximately 30.6% to the overall revenues amounting to USD 15.6 billion. The non-connectivity revenues increased by 25.8% YoY, driven by Yahoo! JAPAN / LINE segment, which grew 28% YoY.

- SoftBank adopts a "beyond carrier" growth strategy. It decided to merge Yahoo Japan and Line and the merged entity (Yahoo! JAPAN/LINE) provides an all-in-one experience with more than 200 services -
  - blending e-commerce
  - communication
  - food delivery
  - gaming
  - music and financial services

  Today, SoftBank is one of the largest internet companies in Japan.

- PayPay, SoftBank's financial services platform, enables smooth transactions for users. Additionally, it has the highest share in Japan's QR and barcode payment market.

Taiwan Mobile

Best telco to
ace "E-commerce"
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⑧ Best telco to ace "E-commerce"

Growth from new services such as e-commerce & (over the top media service) OTT is easily scalable beyond domestic boundaries. This is in stark contrast to network-based services which needed licensing thereby limiting telcos to operate in their domestic markets. Meanwhile, digital services can have a global reach. This has enabled telcos to make way to new markets by introducing services like OTT, e-commerce and payments.

*twimbit recognises Taiwan Mobile
as the best telco to ace "E-Commerce"*

" **momo by Taiwan Mobile is the second largest e-commerce platform in the country.** "

- momo contributed 56.6% to total revenue of USD 5.6 billion in 2021.

- Revenues from momo increased 32% YoY compared to the telecom segment, which grew 4% YoY.

- Post the initial success in the domestic market, it has expanded to other countries in Southeast Asia (SEA). In 2014, Thailand became the first stop via a joint venture with TVD. Together, they established TVD Shopping Co., the second-largest TV shopping channel in Thailand.

- momo has also expanded into Malaysia, the Philippines and Vietnam.

- The operator has been continuously investing in infrastructure development and currently possesses almost 30 satellite warehouses, which has assisted them in lowering costs and reducing shipping time for package delivery.

- Partnerships with international brands have helped Taiwan Mobile improve its capabilities. Expansion into new categories has been one of its key growth strategies.

⑨ Best telco to ace "Financial Services"

Forward-looking telcos are re-investing free cash flow generated through their high-margin core connectivity business to participate and grow in high-growth segments, mainly financial services.

Telcos have several unique strengths to win in the financial services industry:

- The ability to leverage the significant customer base.
- Capability to combine different services to offer advanced client management and bundled services.
- Good reach as a result of higher mobile and internet penetration compared to banking, particularly in emerging markets.

*twimbit recognises Bharti Airtel
as the Best telco to ace "Financial Services".*

" Airtel Payments bank is providing equitable financial access to millions of underbanked customers in India. "

- Airtel Payments Bank, a subsidiary of Bharti Airtel, is one of the leading neobanks in India, offering retail banking services. With over 500,000 Airtel retail outlets serving as banking points, retail banking services have become accessible, even in rural unbanked regions.

- For workers from unorganised sectors, Airtel Payments Banks offers Atal Pension Yojana. This scheme aims to provide pension benefits and social security, offering a minimum guaranteed monthly pension between USD 13.60 and USD 67.28.

- All these factors have contributed to the growth of the neo bank in 2021:

  - It noted 75% increase in money deposits totaling USD 10 billion.

  - Airtel Payments bank took the market lead to implement this enhanced limit for its customers and started offering a lucrative 6% p.a on savings account deposits above Rs 1 lakh.

  - Airtel Payments Bank is one of the fastest-growing banks, with over 110 million users across the country and a merchant base of over 8 million.

  - The annual Gross Merchandise Value (GMV) is over USD 17 billion annually, and it turned profitable in the September quarter of 2021.

10 Best telco to ace "Content & Media"

Media & content is the closet adjacency for the service providers and one that they have had the most success. Bundling content with broadband connectivity has helped telcos across the board. Many telcos have invested in developing and scaling localised content. Partnerships with Netflix, Amazon Prime and Disney have been extensively pursued across the region.

twimbit recognises SK Telecom
as the Best telco to ace "Content & Media"

"**SK Telecom's road to success in South Korea's pay TV market is built on strong partnerships and acquisitions.**"

Globally, SK Telecom proves to be one of the most innovative telecom companies, diversifying non-connectivity services in almost every segment and strongly contributing to the overall revenue.

- Media – the highest contributor to the overall revenues, focuses on providing its customers Pay TV services through BTV, an OTT platform through wavve and personalised music streaming service based on AI, Flo and T commerce services through SK Stoa.

- The merger between SK Broadband and t-broad bumped up the media contribution to the overall revenue. The merger also helped SK telecom gain users based on content competitiveness and AI-based personalisation, making them one of South Korea's leading players in the market.

- Media grew 16% YoY as compared to the mobile and fixed growth of 1.8%.

- Pay TV subscribers reached 9 million at the end of 2021.

- Domestic Gross Merchandise Value for the T-commerce market (SK Stoa, increased by 8.3 %.

11 Best telco to ace "5G"

5G has three basic applications:

- Enhanced Mobile Broadband (eMBB)

- Massive Machine Type Communication (MMTC)

- Ultra-Reliable and Low Latency Communication (URLCC).

These applications support many use cases that range from 8K video streaming, cloud gaming, and remote surgeries to autonomous vehicles. All these applications support the growth of 5G in the industry. When launching 5G commercially, telcos in China stand out from the rest of the industry in terms of growth in mobile ARPU.

*twimbit recognises China Unicom
as the Best telco to ace "5G"*

" Growth in 5G subscribers and expanding regional coverage in a cost-efficient way drives growth for China Unicom. "

- Mobile subscribers reached 317 million users with 5G penetration rate of 49%, representing a 26% YoY increase in 5G subscribers.

- Mobile ARPU change in 2021 was 4.3%.

- Added 310,000 5G base stations, reaching a total of 690,000 stations thereby expanding the regional coverage. These base stations are developed with China Telecom and are part of the world's largest co-built, co-shared 5G network.

![China Mobile 中国移动 logo]

![Best telco to ace "Enterprise Business" Asia Pacific 2022 twimbit badge]

12 Best telco to ace "Enterprise Business"

Enterprise services are emerging as a strong source of revenue growth for telecom operators.
5G further strengthens the business case for telcos to invest and grow their enterprise business.

twimbit recognises China Mobile
as the best telco to ace "Enterprise Business"

"Demand for enterprise services including 5G drives the growth for China Mobile. "

The overall revenues increased by 10.4%, and the growth was largely driven by the Business segment, reporting a growth of 21.4% YoY.

- Scale, quality, and service improvement helped enhance the quality of core offerings such as dedicated lines, IoT and enterprise SMS and MMS.

- Launched more than 230 proprietary IaaS, PaaS and SaaS products, alongside more than 2,700 jointly developed SaaS products.

- The corporate customer base increased by 36.1%.

- Mobile cloud revenue increased by 114% YoY.

- IoT smart connections increased by 20.1%, driven by net additions of 175 million customers.

- IDC revenue increased by 33%.

Telco of the Year

13

Telcos around the world face fierce price competition for pure connectivity services, thereby impacting their EBITDA. Therefore, the "Telco of the Year" award must go to the operator who coupled double-digit revenue growth with the highest positive change in earnings (EBITDA).

*twimbit recognises Bharti Airtel
for telco of the year in the Asia Pacific.*

" Emerging digital services portfolio across Airtel IQ, AdTech, digital market place, Nxtra and digital banking positions us well to build an Airtel of the future. "

- Bharti Airtel recorded the biggest positive EBITDA change of 25.3% and a revenue change of 10.3% in 2021.

- Airtel focuses on acquiring quality customers over quantity. Airtel seeks to establish long-term relationship with consumers and provide them with a quality of service.

  - Growth in customer base led to an increased growth in fixed revenue by 19.8%.
  - Overall customers increased from 336 million to 356 million in Dec 2021.
  - 4G mobile customers are up by 18% to 195.5 million.
  - Mobile data consumption is up by 33.8% YoY, with the consumption per customer at 18.3 GB per month.

- Data pricing improvement in the Indian market has helped telcos grow immensely.

  - Tariffs for pre-paid plans increased by an average of 20-25%.
  - ARPU at USD 2.06 registered an increase of 40% in the last two years.

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