The new customer mindset

"The telecoms sector should be put at the centre of the internet world."

Forum speaker

Alongside high levels of traffic growth and competitive intensity, customers are becoming conditioned to expect more for less – partly due to the rise of "all you can eat" packages and partly as a result of an online experience where many applications and services are free. While operators well understand the need to upgrade their networks to cope with bandwidth demand and the overall importance of generating scale economies, there is far less consensus on the new types of business model needed to unlock value from new services.

In Defining new business models: working with price point zero, there was plenty of debate around optimal approaches for operators. How the industry engages with customers is more crucial than ever - with willingness to pay in continuing decline, operators need to educate consumers more around the true cost of providing services. This may involve picking apart traditional business models - the handset subsidy was highlighted as one industry norm that may need to be overhauled. The way services are packaged was also highlighted as a route to value. For example, the "freemium"⁹ approach that has worked for many web players has resulted in some successful music download services in both developed markets, such as Denmark, and emerging markets like Indonesia.

⁹Freemium is a business model that works by offering basic services for free, while charging a premium for advanced or special features. Source: Wikipedia