Huawei and AIS raise the bar on buyer-vendor relationship with proven cooperation strategy

At a time of increasing competition in the telecommunications space, Chinese vendors would have a hard time winning over European vendors in clinching significant telco deals. Yet Huawei, China's leading telecom gearmaker, won the nod of Thailand's leading mobile telecom operator, Advance Info Service Public Company Limited (AIS), in its recent deployment of an Intelligent Network (IN) for its pre-paid mobile service.

Besides offering good quality products at competitive pricing, Huawei clinched the long-term IN contract with its unique cooperation strategy and helping service providers generate more revenue and lower CAPEX while reducing OPEX.

AIS prepaid boom

As a leader in the mobile telecommunications market in Thailand, AIS constantly reviews and regulates its marketing strategy to keep up with customers' demands as well as the advancements in mobile technology.

"Our relationship with Huawei is moving from a buyer-seller model to a partnership. We are keen to implement this deployment model as we explore future service development endeavors," — Mr. Wichian Calli, signed up an additional 11.1 million subscribers to 2.7 million in just 23 months. The AIS prepaid customer base also dwarfs the prepaid customer base of around 2 million.

Huawei's Secret of Success

The reliability of Huawei's TELLIN IN solution was proven over the past three years of solid cooperation between Huawei and AIS. Mr. Wichian attributes this to Huawei's delivery of good quality solutions and competitive pricing, which surpass its European counterparts.

Long-term and fast customization service is also key to Huawei's attractiveness as an IN solutions vendor. "Huawei is willing to improve everything according to customer's requirements and is able to respond to new requirements very quickly," says Mr. Chaiwat Suttenon, Network Planning Manager of AIS. "For example, even during peak traffic, Huawei can still ensure a high performance network and whenever there are bugs in the system, they are fixed quickly by staff from local MA center."

These success factors complement Huawei's unique cooperation strategy.

To ensure a quick response to AIS's growing services requirements, Huawei created an R&D platform divided into two levels, PDT (Product Development Team) and TDT (Technology Development Team). While different PDTs cover different product areas, they are all integrated into an all-inclusive platform for key customers. There is a dedicated team in PDT for each key customer. It guarantees quick customization by closely coordinating with the customers. On the other hand, TDT develops common components and platforms for PDT. It focuses on reliability, capacity and reusability. Every upgrade is geared toward creating new capabilities. TDT perform upgrades for high quality and cost effective PDT platforms. Because of its ongoing R&D effort, Huawei managed to provide the client new features/services to AIS every month.

Huawei guarantees product quality by implementing a set of quality assurance and management systems. In 2000, Huawei imported the IPD (Integrated Product Development) flow from IBM and applied it to all PDT platform products. IPD divides a product development process into various phases, including requirement analysis, charter, concept phase, plan phase, develop phase, verification phase, beta phase and product release. Multiple checkpoints are set up in each phase to assure quality output.

Subsequently, an IPD service flow is also applied to PDT products. It ensures the fast service development capability and high product quality at the same time.

Using an IPD flow enables AIS to perform thorough requirement analysis, concept phase, plan phase, beta phase. They can express requirement more clearly and discuss solution closely with Huawei R&D team. These highly involved and efficient process flow enables both companies to perform efficient customization for key customers.

Moving beyond buyer-seller model

The cooperation between Huawei and AIS is ongoing. AIS is currently looking to migrate all its 2 million post paid customers to the IN network offering them the same features as the prepaid community along with a range of payment methods.

Through Huawei's help, AIS pioneered the commercial launching in Thailand of a new killer app - color ring back tone service. The service has already drawn over 2 million subscribers by the end of April this year. Incidentally, the two companies are looking for opportunities to further cooperate in the CRM and MDS arena.

Mr. Wichian sees AIS's relationship with Huawei evolving. "Our relationship with Huawei is moving from a buyer-seller model to a partnership. We are keen to implement this deployment model as we explore future service development endeavors," he concludes.
Color Ring-Back Tone Service
Ringing in New Revenue Opportunities for Operators

Mobile phone users used to customize their phones to suit their personality by colors, ring tones, logos, screen savers and special animations. A new opportunity in personalization has recently emerged for operators—Color Ring-Back Tone (CRBT) service. It has become part of phone personalization. It is important to understand the larger context as ring-back tone services is part of a migration of mobile services.

Now, even the ring-back tone can be made personal with music, sound clips or voices. Instead of hearing a familiar ring tone when calling someone, a particular tune, sound, voice clip or message is heard. This feature can also be customized for different callers, giving the service a real personal touch.

Mobile operators can take advantage of this innovative technology to attract new customers, minimize churn, increase ARPU and increase market share.

Telecom analyst firm Ovum foresees the new Color Ring-back tone service to be a $352 million industry by the end of 2005.

In the Asia-Pacific region, CRBT technology is fast gaining ground, especially in mature wireless markets such as South Korea, where the service attracted over 6 million subscribers nine months since its launch in April 2002. Mobile operators grasping for ways to generate new revenues may consider pioneering a CRBT service in their respective countries. With an attractive pricing model, users are likely to take on this service which could, in turn, enhance usage of WAP, Mobile Internet, SMS and even voice services.

**Huawei's CRBT solution**

Huawei, China’s leading telecommunications equipment maker, is offering a CRBT solution that meets the service generation requirements of operators worldwide, promising speed of deployment, scalability and flexibility in systems upgrade with no major modifications in existing network. Up to May 2004, Huawei CRBT system has been applied for GSM, CDMA and Wireline network with the total capacity of over 10 million subscribers.

With over 1,800 R&D staff, Huawei is committed to develop products and solutions suited to the demands of the telecommunication markets around the world. Its key advantage is the ability to rapidly deploy solution enabling operators to quickly rollout new services. Its standing record to date is deployment of the CRBT services to half-a-million subscribers in 60 days.

Huawei was behind the deployment of Thailand’s largest CRBT service network operated by the country’s leading telecom operator, AIS, which serves over 6 million subscribers.

Rapid CRBT solutions deployment is made possible by Huawei’s unique signaling interception architecture that uses a standalone SI platform for quick service deployment. Aside from helping operators realize high level of service availability, scalability and with minimum operating costs, Huawei’s CRBT solution supports VXML standard, which makes possible the deployment of the service with other mobile applications such as voice SMS, chat room, voice Internet and VAD.

**Smooth Evolution**

Telecom operators worldwide are moving toward next-generation networks characterized by standard protocols and open architecture, which allow for the integration of services from various types of networks, services and service partners. Huawei’s CRBT solution is designed to support mobile operators as they transition from legacy to next generation network.

"The migration must be smooth and cost effective because businesses cannot afford disruption to network operation or marketing plans. Scalability and upgrade potential will allow operators to migrate as demand and networks grow," Huawei said in a statement.

To meet the future demand for more sophisticated and personalized mobile services, Huawei’s CRBT will support customized multimedia ring-back tones and the provisioning of diversified video information during a call. These features can further enhance the stickiness of mobile service offerings and guarantees revenue for operators.