Size and STP Analysis of Pakistan's B2B market for ICT to develop a Marcom strategy for Jazz' B2B division (Jazz Business) aiding increase in revenue of existing and potential market.

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(2024)

BUSINESS PROJECT ACCEPTANCE CERTIFICATE

It is Certified that final copy of EMBA Business Project written by Andleeb Aslam Registration No *00000318574* of EMBA 2K19 has been vetted by undersigned, found complete in all aspects as per NUST Statutes/Regulations/MS Policy, is free of errors, and mistakes and is accepted as fulfillment for award of EMBA degree. It is further certified that necessary amendments as pointed out by GEC members of the scholar have also been incorporated in the said business project.

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CHAPTER 1: PAKISTAN’S ECONOMY

1.1 PAKISTAN’S SERVICE INDUSTRY

There are three main sectors of economy in Pakistan; **Agriculture**, **Industry** and **Services**. In the year 2022, their **GDP** contribution was **22.35%, 20.42%** and **52.19%** respectively. (Aaron O'Neill, 2024).

Over half of the economy’s contribution comes from the Services Sector. This sector is built upon financial services, telecommunications, technology, tourism, ecommerce, ICT, etc. Considering the strides, the telecom and information services industry has made over the past couple of decades in a developing economy like Pakistan, it becomes common sense to assume the focus on development of regulatory framework, and shaping policies to invite foreign investment is mighty high.

Given that 64% of Pakistan’s population is under the age of 30, the services sector can expect a promising outlook. The future, barring economic volatility and forex impact, will be governed by a tech adept economy, rather than an agrarian.

Albeit substantially, it is not the services sector alone that reaps the benefits of technology. Technology is at the heart of everything encompassing our daily lives. From the point we wake up, we start interacting with it and it governs every aspect of our lives until the end of our day. Despite the fact that its onset was not more than three decades ago, the speed at which it is transforming our lives is rendering the idea of a tech-less world almost unimaginable.

The business sector is fighting tooth and nail to survive the rapid onslaught of tech intervention in literally every aspect of it.

Regardless of the nature of business/industry, technology is now jelled into the DNA of business-as-usual worldwide. It comes with the promise of improved efficiency and reduced costs, therefore, businesses are eager use it to expand operations, maximize profits and fulfilling their dreams of going global. The eagerness to adopt also comes from what millennials like to call FOMO (Fear of Missing Out). This fear stems from the silent warning every new advancement in technology brings with it - failure to adapt at the right time, with the right tools, and the right processes, can be fatal to your businesses. We have witnessed, businesses set in their traditional ways, lose their market share and go bankrupt. All because they delayed digital transformation, or they made the mistake of inculcating technology without reprioritizing their business models and reengineering their processes.

In a developing country like Pakistan, the onset has been rapid in some cases, but glacial in others. The reasons can be tracked back to the fact that more than half of Pakistan's population is still on the dark side of the digital divide. To become a truly digital economy, measures must be taken to bridge this chasm. Telecoms in Pakistan are trying to manoeuvre both the consumer and the enterprise side of their customer bases to allow digital penetration in all corners of the country.

This study focuses on the B2B side. I took the Case of PMCL Jazz to determine, three things.

1. What does the B2B market segment in Pakistan look like?
2. What is their appetite for digital transformation?
3. And, how can Jazz increase its revenues within its existing portfolio, as well as by penetrating untapped segments

What I aimed to do was to also explore how the sector is currently segmented into categories and how it now, should be. Considering the paradigmatic shift that the industry of telecom is facing today, it is safe to assume that the old models of segmentation are also rendered somewhat obsolete.

1.2 ABOUT PMCL (JAZZ)

Despite what it says on its Wikipedia page (Wikipedia, 2023), PMCL Jazz (formerly Mobiink) was founded in 1998 by Saif Group and Motorola Inc. It was however the first Global System for Mobile Communication (GSM) services provider, before which Paktel and Instafone were also providing Advanced Mobile Phone Systems (AMPS), which they continued with until the early 2000s. Later the two companies were subsumed by CMPak and PTML respectively.

In 2007, Orascom purchased 100% shares of PMCL under Saif group.

In 2010, VEON, a Russian operator, entered into a $6.5 billion agreement to purchase the majority of Orascom's telecom assets, including Jazz, leading to the formation of the world's fifth-largest mobile network operator in terms of subscriber count. In November 2015, VEON revealed its acquisition of 100% ownership of Warid Telecom in Pakistan, a subsidiary of Abu Dhabi Group. Following the necessary approvals, this landmark acquisition was finalized in July 2016, resulting in a combined subscriber base of 50 million, marking the first-ever acquisition of a local telecom company.

After the integration of Mobilink and Warid Pakistan, Mobilink underwent an official rebranding to Jazz in 2017. The merger with Warid, allowed Jazz to capitalize on Warid's 4G/LTE license, enabling it to transition into a 4G network utilizing a 5 MHz block within the 1800 MHz band. In May 2017, Jazz emerged victorious in the 2017 NGMS auction hosted by PTA, securing a 10 MHz block within the 1800 MHz (FDD-LTE Band 3) frequency for its 4G services. Additionally, Jazz received further 4G spectrum allocation from PTA on June 30, 2017.

In January 2020, Jazz announced successful completion of 5G trials, achieving speeds of 1.5Gbps. These trials were conducted utilizing the 2.6 GHz spectrum.

In March 2021, VEON finalized the purchase of a 15 percent stake previously owned by Abu Dhabi Group for a total of US$273 million.

In July 2021, Jazz enhanced its LTE network to LTE-A Pro by introducing 256-QAM and Massive MIMO technologies. Presently, it stands as the sole network in Pakistan providing 3CA (Tri-band) carrier aggregation and 256-QAM on its LTE infrastructure.

In February 2022, Jazz implemented VoLTE across its entire network, offering compatibility with a range of supported devices such as Samsung, Huawei, Oppo, Vivo, Itel, Xiaomi, Realme, Infinix, and Jazz Digit branded feature phones.

In July 2023, Jazz introduced Voice over WiFi (VoWiFi) capabilities under the branding 'JazzFi'. As of now, it remains the sole carrier in Pakistan providing VoWiFi services.

As of October 2023, Jazz boasts 70 million subscribers in Pakistan, with 43 million utilizing its 4G services. With a market share of 37%, it holds the top position among all mobile network operators.

1.3 ABOUT JAZZ BUSINESS

Jazz Business was founded in the late 2000s with the idea to serve corporations/businesses/government entities with GSM, Fixed and Wireless connectivity. For this purpose, a separate division was setup, new products developed, new pipelines and delivery channels established. This division started strong, and rapidly became the market leader. With its telco-driven product portfolio, Jazz Business became the only operator to service over 90% of PSX corporations, over 50% SECP registered businesses and held a majority share of pie among B2G (Business to Government) customers. To date, Jazz Business has held onto this position in the market.

What started as a portfolio of prized GSM products, Fixed Line Connectivity, Wholesale Interconnect, and International Roaming, grew within its initial years to make way to technology that can be built upon the telecom layer. While the channels brought in the bread and butter with conventional offerings, the product teams ventured into partnerships to bring in the new tech. This is how the product lines of IoT, Digital Solutions, Partnered SaaS (MSO, Knox etc.) and other such services made way for new revenue streams. In terms of vision, Jazz Business was always on the track of digital transformation and growth mindset. Considering this trajectory, the division presented itself as the perfect candidate for Techco transformation. Thus began the journey of launching Telco agnostic platforms and portfolios.

In 2020, Jazz Business launched its own cloud platform, becoming the first telecom company in Pakistan to do so. This platform was launched as a Brand ‘Garaj’, which became the fastest growing cloud platform in the country in terms of revenue as well as market share. Garaj has two Tier-3 certified availability zones in the country launched in 2020, and 2021 respectively and a third is on its way to completion in 2024. Garaj also became a driver in the launch of the public Cloud-first Policy, owing to which, institutions (banks and government entities) which were historically restricted to host data on cloud, can now do so on a local cloud platform.

In 2022, Jazz Business launched another industry first platform based on Data Monetization. Quantica, a data analytics consulting service, that houses 12 product portfolios within its vertical and is now yielding a YoY growth rate of 89%.

In 2024, Jazz Business aims to launch Pakistan's first Ad-tech Platform in collaboration with its sister concern Veon Adtech, headquartered in Uzbekistan.

Jazz Business is at the forefront of embracing the paradigm shift, however, it is imperative that the market be ready too, to accept the change, only then can Jazz's Business division become profitable. The country's entire digital ecosystem is connected and it depends upon service providers like jazz to bring them into the digital fold.

CHAPTER 2: THE BUSINESS SECTOR OF PAKISTAN.

Majorly, all organizations in Pakistan are registered in four categories:

1. Sole Propriety
2. Partnership
3. Not for Profit (NPO)
4. Limited Liability Company (Private and Public Limited)

There are two main entities that are legally tasked with registering businesses in Pakistan; The Pakistan Stock Exchange and The Securities and Exchange Commission of Pakistan (SECP). For the purpose of this study, I dedicated 80% of my focus to the public listed companies with Pakistan Stock Exchange (PSX) and 20% to the Limited Liability companies with the SECP.

This split had two reasons, one, because there is more data available for the PsX companies, and two, because despite a small number, public listed companies generate more market cap and revenue that the registered SECP businesses in the country.

2.1 THE PSX LISTED COMPANIES

Stock Market or Equity Market, is basically a marketplace where the general population of Pakistan can invest, purchase and sell shares of companies listed with PSX. At the moment, more than **544 companies** listed on Pakistan Stock Exchange with a **Market Capitalization** of more than **PKR 7.2 trillion**. These companies are distributed amongst more than 37 sectors or groups of industries. (Anonymous, n.d.)

These sectors help in organizing and analysing the various companies based on their primary business activities. Here are the sectors:

1. Automobile Assembler
2. Automobile Parts & Accessories
3. Cable & Electrical Goods
4. Cement

5. Chemical
6. Close - End Mutual Fund
7. Commercial Banks
8. Engineering
9. Fertilizer
10. Food & Personal Care Products
11. Glass & Ceramics
12. Insurance
13. Investment Banks / Investment Companies / Securities Companies
14. Jute
15. Leasing Companies
16. Leather & Tanneries
17. Miscellaneous
18. Modarabas
19. Oil & Gas Exploration Companies
20. Oil & Gas Marketing Companies
21. Paper & Board
22. Pharmaceuticals
23. Power Generation & Distribution
24. Real Estate Investment Trust
25. Refinery
26. Sugar & Allied Industries
27. Synthetic & Rayon
28. Technology & Communication
29. Textile Composite
30. Textile Spinning
31. Textile Weaving
32. Tobacco
33. Transport
34. Vanaspati & Allied Industries
35. Woollen
36. Exchange Traded Funds

37. Mutual Funds

These categories provide a comprehensive view of the different industries represented on the PSX, aiding investors in making informed decisions.

Here is a snap shot of the last 5 years of PSX

Table 1: PSX's Five Year Snapshot

	2020	2021	2022	2023	2024
Total No. of Listed Companies	531	533	531	524	524
Total Listed Cap (Mn)	1421093	1485103	1552728	1665477	1694457
Total Market Cap (Mn)	8035363	7684637	6500828	9062903	10169955
KSE-100™ Index	43755.38	44596.07	42420	60451.04	75878.48
KSE-30™ Index	18180	17501.69	14836	20776.54	24343.07
KMI-30 Index	71167.6	71687.06	68278	104728	125779.87
KSE All Share Index	30779.7	30726.52	27533	41916.27	48828.32
PSX-KMI All Shares Index	21718.11	22026.72	19987	30664.12	34823.56
New Companies Listed during the year	3	7	2	1	6
Listed Capital of New Companies - Rs in Million	14197.41	16008.69	2644.45	3932	79953
New Debt Instruments Listed during the year	7	5	0	5	3
Listed Capital of New Debt Instruments - Rs. in Million	246966.8	25100	0	31200	6075
Average Daily Turnover - Regular Market (Shares in Mn) (YTD)	329.89	474.14	229.92	323.11	449.89

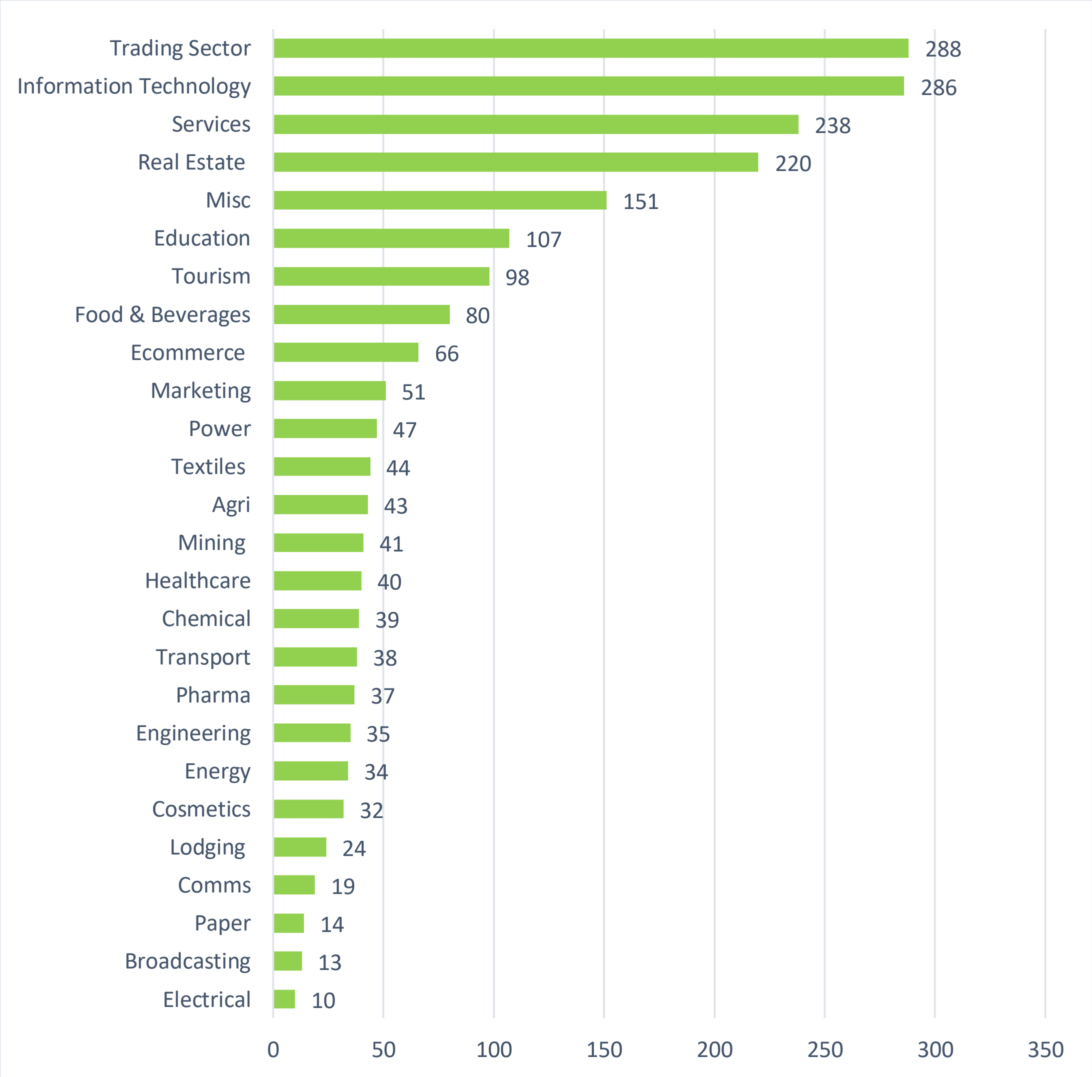
Average Value of Daily Turnover - Regular Market (Rs in Mn) (YTD)	12270.62	16934.88	6950.38	10076.34	16796.74
Average Daily Turnover - Future Market (Shares in Mn) (YTD)	102.1	140.89	93.53	106.4	167.62
Average Value of Daily Turnover - Future Market (Rs. In Mn) (YTD)	4739.69	8314.5	3573.97	4387.51	6764.24

2.2 THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN REGISTERED COMPANIES

Around 2,095 companies were registered by the Securities and Exchange Commission of Pakistan (SECP) in December 2023, bringing the total number to **209,604**. (Desk, 2023).

In total the capitalization of the companies registered in December 2023 is Rs 2.6 billion.

Figure 1: Breakup of Sector Wise Companies Registered in December 2023



In terms of categories, around 57% of total registered companies are private limited companies, with 41% being single member companies. The remaining 2% are public unlisted companies, not for profit associations, limited liability partnerships, and foreign companies.

2.3 GREY ECONOMY

Grey economy is sometimes also referred to as the informal economy, or the shadow economy. In Pakistan, it plays a vital role in the economic activities. It includes all the sectors of business that remain unregistered - their impact on the country's GDP, albeit significant goes unreported in official statistics.

The grey economy GDP is estimated at 35 to 50% of the official number. This substantiates that the size and extent of shadow activities is greatly jelled into the fabric of various sectors of the country. Despite major efforts, the SECP has not been able to register a large portion of the country's economy.

This may be a blessing in disguise. The Pakistan Bureau of Statistics reports that more than 70% of Pakistan's labor force is mobilized and employed by various sectors of the informal economy. Mostly, there are the daily wage class, the laborers hired to work by a day's rate, street vendors, and some employees of unregistered home-based offices.

2.3.1 SECTORS CONTRIBUTING TO GREY ECONOMY

In addition to the above, there are three main sectors contributing to grey economy

Agriculture:

Though once the largest sector of the country, now is responsible for the bread and butter of many in an informal activity. Small-scale farmers have not been registered by the government authorities, and no efforts seem to be set in motion for this either.

Retail Sector:

For shop owners, street venders and retail businesses, it is easier to operate in the informal economy in order to evade taxes and regulations

Construction:

Contractors, work by day rate laborers, and even some businesses in this sector remain unregistered.

2.3.2 REASONS TO AVOID REGISTRATION

According to VC and Finance Specialists, there are three main causes for companies to not register.

Regulatory Burden:

Due to high levels of bureaucracy and complex regulatory requirements Small Businesses are discouraged from formally registering their operations.

Tax Evasion:

Businesses and individuals operating in the grey economy avoid taxes, which can be seen as a financial benefit given the perception of inefficiency and corruption in tax collection.

Lack of Awareness:

One big evil that prevails our country is the unawareness of how to register, what benefits it can have and where to register businesses and have access to gain credit and remain protected legally

Remaining unregistered has its own implications. The government loses significant tax revenue due to the high level of economic activity that remains unregistered and untaxed, the informal economy contributes to economic instability as it is less regulated and can be more susceptible to shocks, workers in the informal economy often lack social security benefits, job security, and legal protections, making them vulnerable.

The Securities and Exchange Commission of Pakistan (SECP) has been striving to boost formal registrations by implementing various reforms and offering incentives.

The grey economy in Pakistan is a complex issue, intricately intertwined with the country's socio-economic structure. Tackling it necessitates a comprehensive strategy that includes regulatory changes, incentives for formalization, and heightened awareness among informal sector participants. Striking a balance between enforcing regulations and providing support to small businesses is essential for incorporating the grey economy into the formal sector.

CHAPTER 3: PROBLEM STATEMENT

The purpose of the above given landscape of Pakistan's business sector is to elucidate how difficult it can become for a researcher like me and companies like Jazz to

1. Determine the actual size of market to be able to develop business cases for emerging technologies
2. Gather valuable insights into the sector in order to segment, position and target customers with the advancing technology.
3. And, penetrate the hard shells of grey economy to bring them out of digital darkness – companies like Jazz can only offer solutions to registered companies.

While this is a challenge, it is also an opportunity. Using the Pareto's principle as a vantage point, redirecting efforts towards the research that has merit can be used to investigate policies and strategies that can work on the rest of the market.

This is why I kept my focus on the public listed companies, though small in number, they generate the most market cap, and are legally bound to make their financial reports public property. So, there is easy access to for research. Applying the learnings from this small sample can help determine propensity.

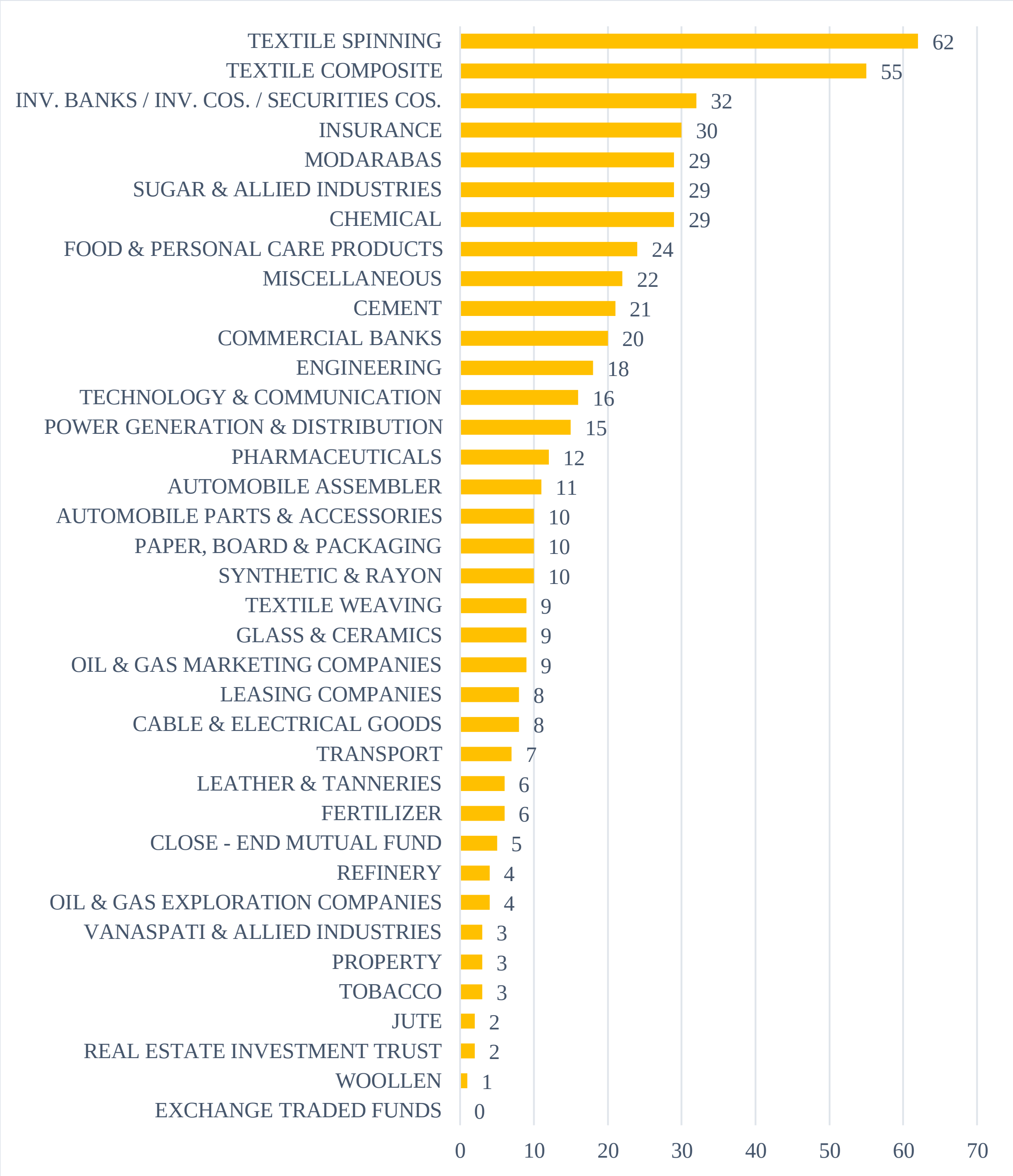
The problem statement that I addressed with the data available is simple. companies run after net adds – increase the subscriber base – however, it is more important for giant operations like Jazz to look within – look for the low hanging fruit within – to be able to upsell and cross sell, to increase revenues from the existing base.

Through this project, I gauged the thin margins that contribute to the YTD (Year to Date) revenue with minimal conversion on a limited sample. Applied to the entire base could bring exponential results.

CHAPTER 4: THE SIZE OF PSX:

As stated earlier, the number of companies registered with the PSX is 544 which are divided on into 37 sectors based on the type of business they are running. A sector wise split indicated that most companies registered are from Textiles, Banking & Finance, Food and Personal Care items, and other material-based companies like cement.

Figure 2: Number of Companies Registered Against 37 Sectors on PSX



4.1 JAZZ'S CUSTOMER BASE IN THE B2B SECTOR (PSX & SECP)

Jazz has a significant presence in the **PSX Companies**, reaching **346 (64% penetration rate)** clients with its enterprise products' portfolio. In the KSE 100 index, Jazz's penetration is at 80%.

In the **SECP** registered companies, Jazz's penetration is only at **15% with 31,654 clients** out of 209,604.

To be able to select a better sample for my study, I calculated the average revenue of the PSX and SECP penetrated companies with the last 6 months data[1]. Jazz is earning an **average revenue of 187 Mn per month from the 346 PSX entities and 231 Mn from SECP entities.**

Considering the disparity in revenue, I decided to continue looking into the psx companies.

4.2 PSX SEGMENTATION VS JAZZ SEGMENTATION OF CUSTOMERS: SAMPLE FINALIZATION

While PSX has its sectors to organize the registered companies, Jazz to has an industry-based categorization, however, the systems do not sub categorize, for instance, textiles into three sectors. So, to be able to assess the data combining the sub-segments seemed appropriate.

To further narrow down the sample for research, it would be easier to focus on the top 15 or 20 sectors. However, looking only at the number of companies wouldn't suffice or present a more holistic approach to the study. Therefore, after combining the sub-sectors, I evaluated them by highest market cap and turnover, and finalized the top 17 sectors to work with.

[1] The last 6 months refer to a period of November 2023 to April 2024

Figure 3: Top Sectors of PSX by Market Cap

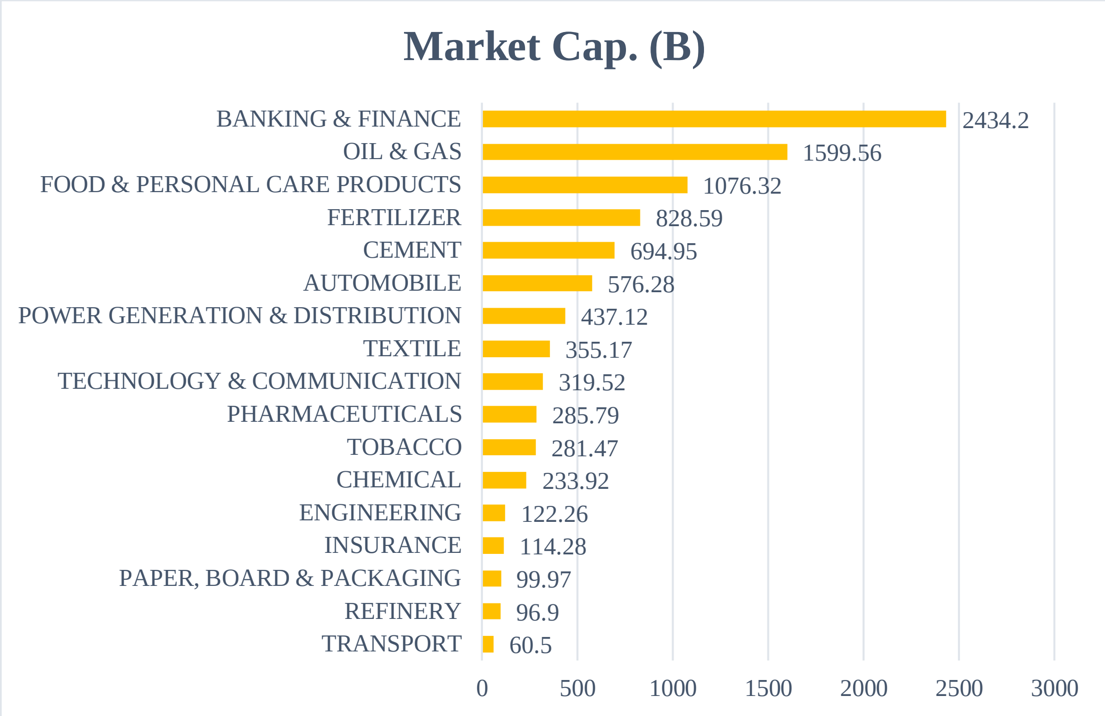
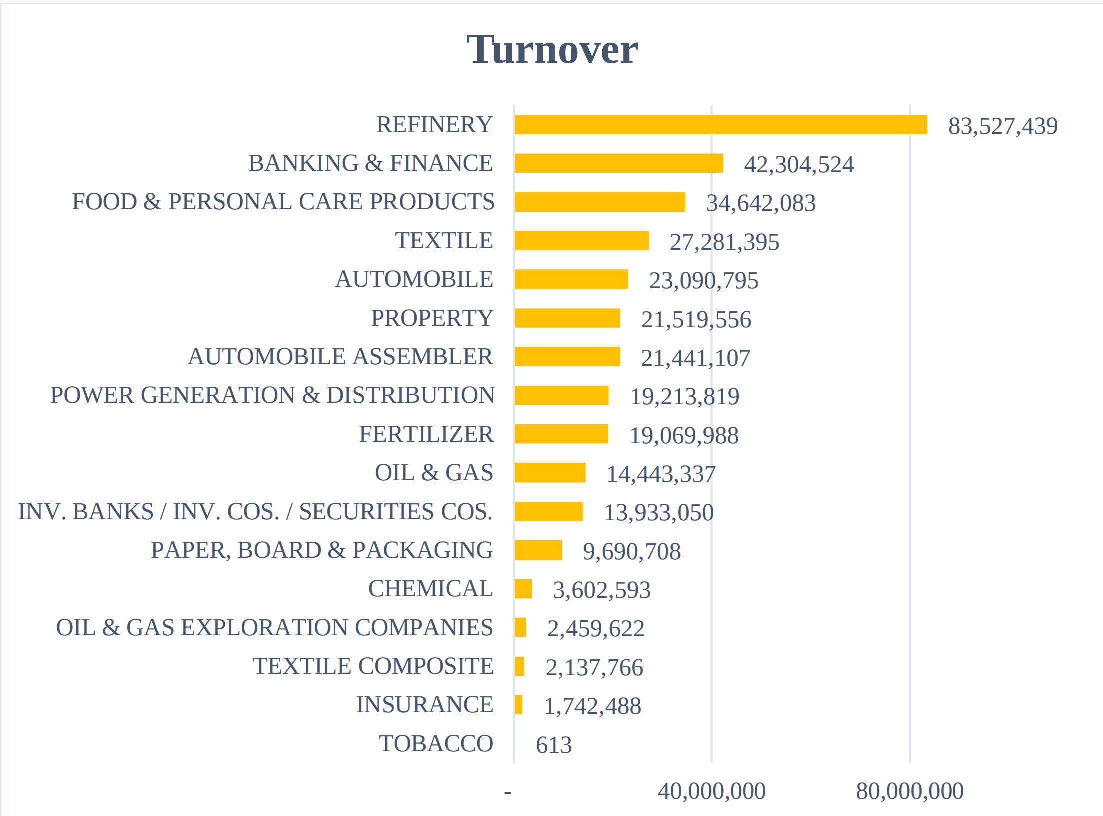
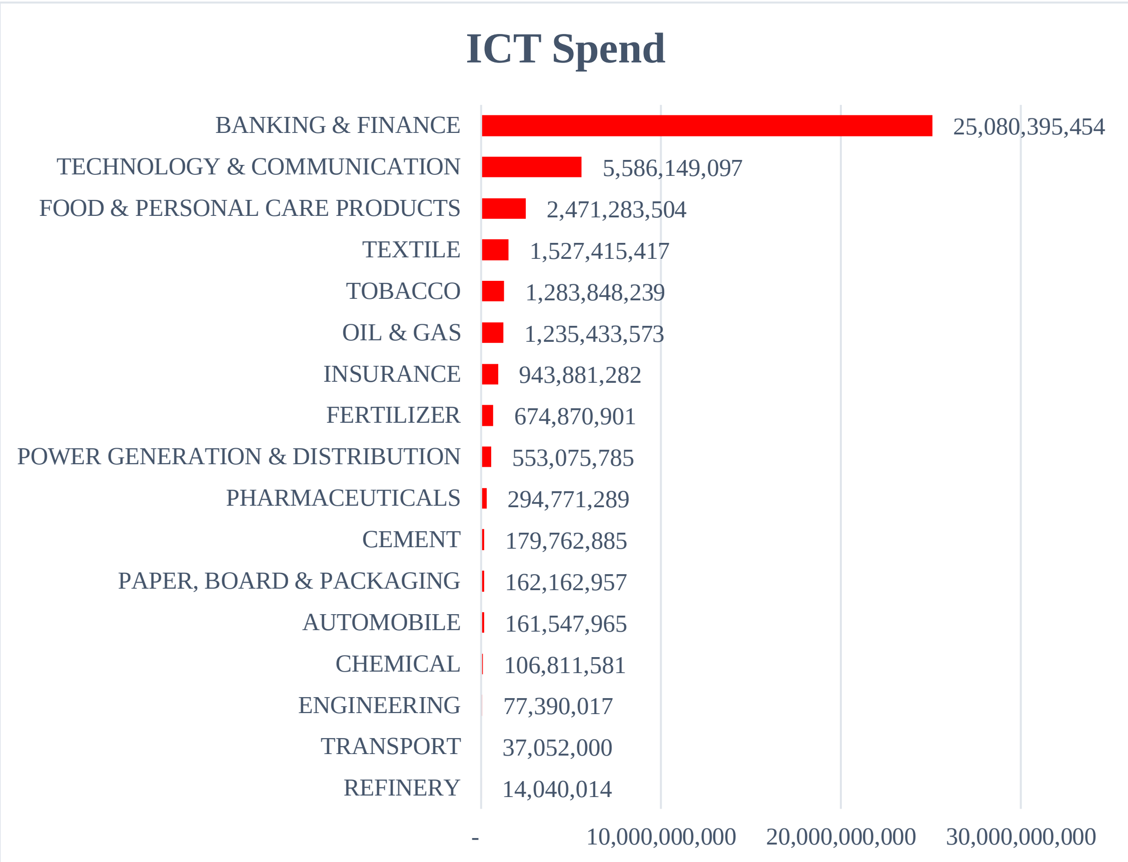


Figure 4: Top Sectors of PSX by Turnover



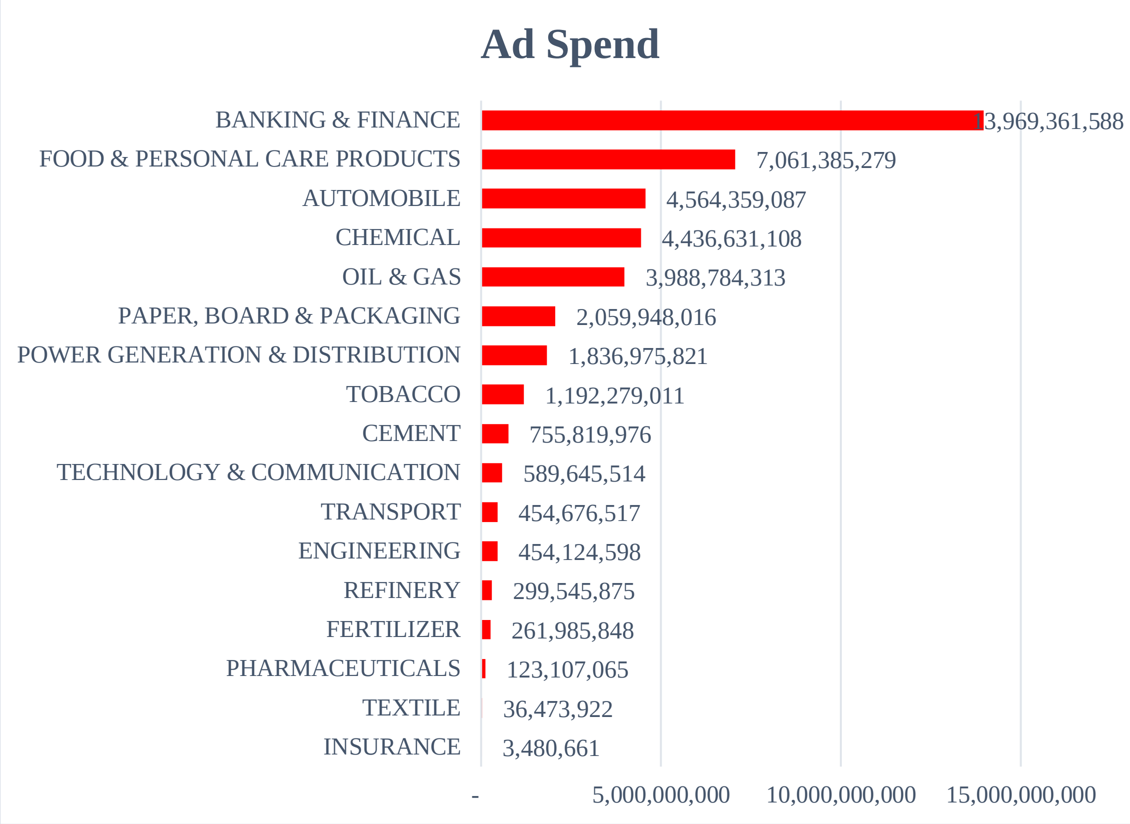
Finalizing the sectors was step one. Step two began with a deeper dive into the spend patterns. Considering the product portfolio of Jazz Business, and its direction for digital transformation and technology enablement of the B2B sector in Pakistan, it made most sense to understand the how much these sectors invest in Information & Communications Technology (ICT).

Figure 5: Sector Wise ICT Spending



To ensure conclusive evidence, I also looked into the advertising spend of the selected sectors. Though seemingly unimportant at the moment, it holds significance to establish the financial muscle of an organization. It will also help Jazz in selling the ad-tech platform they plan to launch this year.

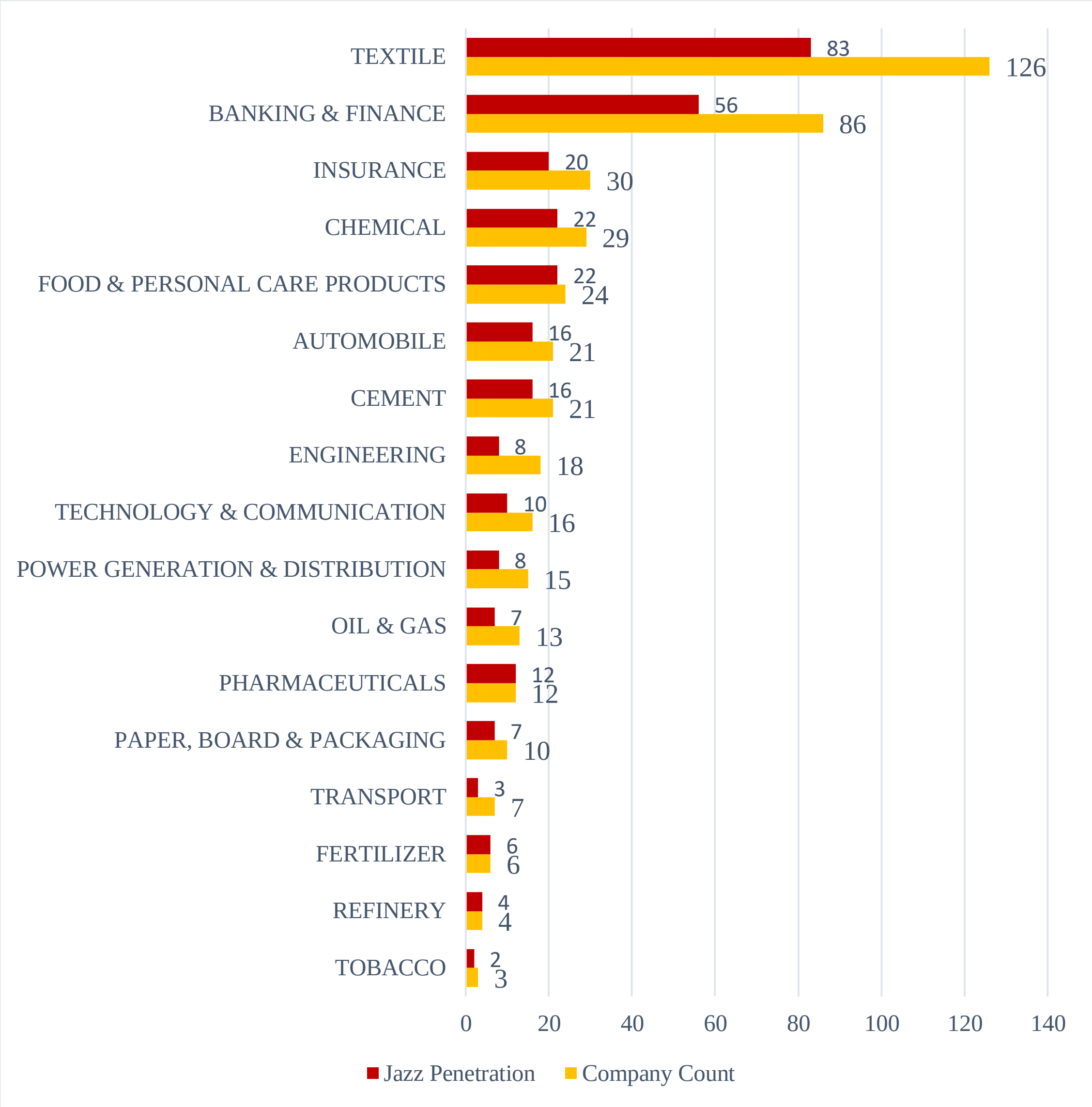
Figure 6: Sector wise Advertising Spending



4.3 JAZZ PRESENCE IN SELECTED SECTORS.

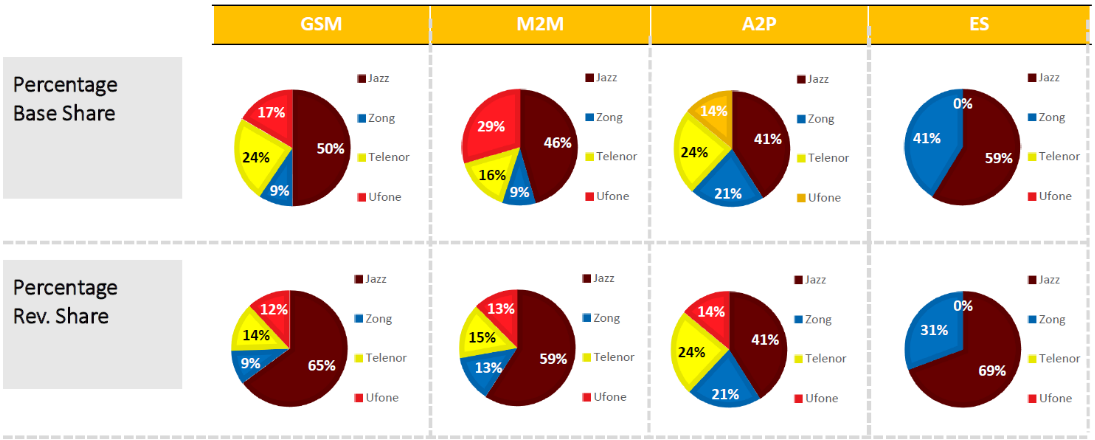
Since Jazz is built on the promise of digital growth, it is necessary to know what is the level of Jazz's penetration within these sectors. This is Step 3 of my analysis. Considering the given above segmentation delivers the sectors with their potentials, it is evident that Banking & Finance, Technology & Communications, Food & personal Goods, are the top three sectors for ICT spend.

Figure 7: Jazz's Penetration in PSX Sectors.



Jazz takes pride in having built a products portfolio that encompasses every emerging technology for the B2B sector of Pakistan. With its recent advents into Cloud Computing, Data Analytics as a Service, Ad-tech Platform, AI based IoT solutions, it has established itself as the market leader in the industry. Even in the native business categories like 4G, Fixed connectivity, M2M connectivity, it holds market leadership positions in terms of revenue as well as market share.

Figure 8: Jazz market and Revenue share



The figures 7 and 8 (the two above), are testament to this leadership. However, it needs a point of clarification. From a cursory glance it may look like Jazz is servicing the majority of PSX companies singlehandedly, but that isn't the truth. Jazz presence in the companies does not restrict assess for other services providers. Therefore, most of the companies that jazz has penetrated in, other telcos may also have, with their own unique offerings.

4.3.1 JAZZ PRODUCTS SERVING THE SELECTED SECTORS

A further deeper look into the products and services being provided to these companies revealed the top four names.

Jazz 4G post-paid solutions

The Jazz post-paid solutions selling bulk post-paid SIMs with bulk resources, pooled data plans and handset discounts. 97% companies use this service of which approximately 26% are using only this service.

A2P solutions (for internal and external messaging)

A2P messaging solution called Campaign Management Tool (CMT) was the second highest grossing product. This product provider customers with a platform to send and receive transactional and promotional SMS to employees and customers. 74% of the total companies use these services, of which less than 1% are unique.

IoT solutions

The IoT solutions include an array of services from tracking to monitoring solutions, these are mostly helpful in transport and manufacturing, but use cases are not limited to that. IoT was the third highest grossing service. 34% of the total companies use this service but has no unique users.

Enterprise Solutions and Cloud Services

Anything relating to software services, to platforms, to security to cloud computing, storage, dev-ops etc. is covered in ES portfolio for the purposes of revenue booking at this time in Jazz. This will soon be remedied. 17% of companies are using these solutions, of which 34% are using cloud and a little over 2% are unique.

Albeit, a remarkable presence in the top PSX sectors, the vision of Jazz to truly become a Techco will only be fulfilled if 97% of the companies will digitally transform, enabled by Jazz services. That vision may have several years to be fulfilled, yet the revenues can still be increased for a sustainable future. This also presents Jazz with an opportunity to use the existing base as low hanging fruit to upsell and cross sell its complete portfolio.

CHAPTER 5: STRATEGIES FOR REVENUE INCREASE

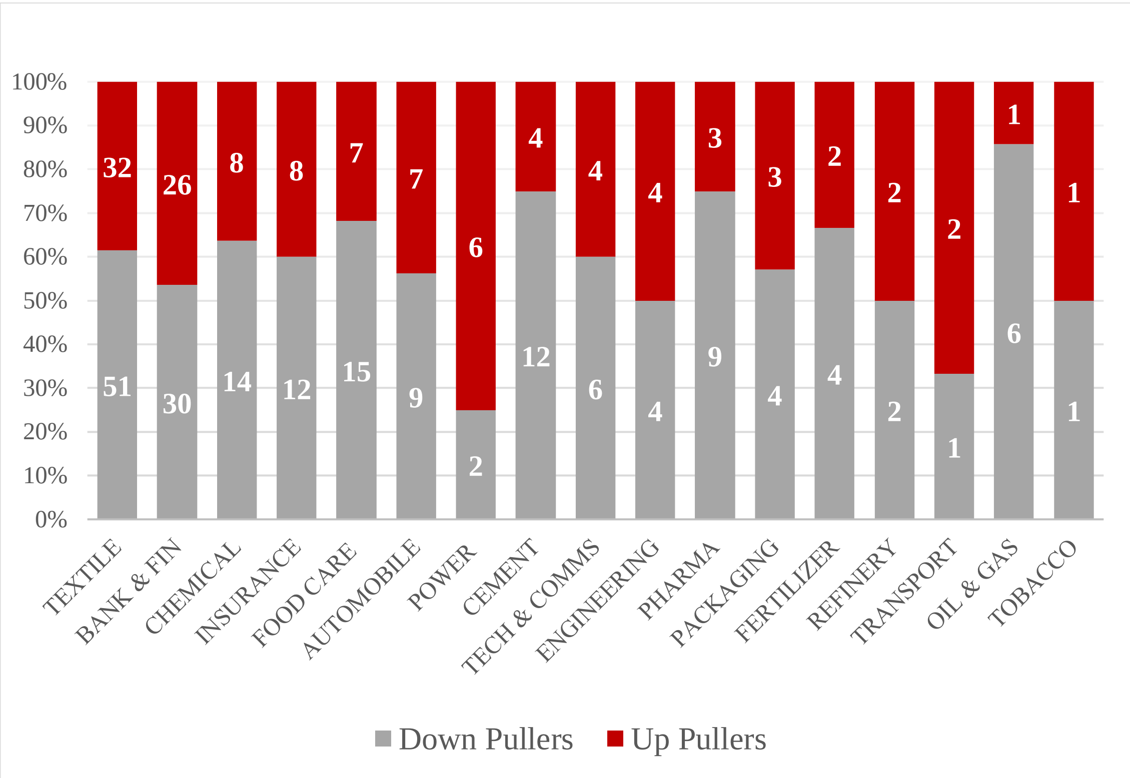
From this point the study takes two directions.

1. Evaluating the Average Revenue Per Account (ARPA) up puller and down pullers.
2. Evaluating the Revenue in Non-Customers Companies.

5.1 EVALUATING THE ARPA UP & DOWN PULLERS.

For this analysis, the metrics used were ARPA pullers. Up Pullers are companies with revenue above the average of the last 6 months data, and down pullers are below the average line. Determining the ARPA puller gives an insight into the performance of Jazz in the PSX Sectors. It also presents the opportunity to further dissect the down pullers to find margins of growth.

Figure 9: ARPA Up Pullers and Down Pullers



From the selected Sectors, the total of down pullers is 182, and the total of Up pullers is 120 companies. A review of the internal data tells us that the services used by the down pullers are 4G post-paid plans for their employees, CMT and in very few cases (less than 20% of down pullers), IoT and ES solutions.

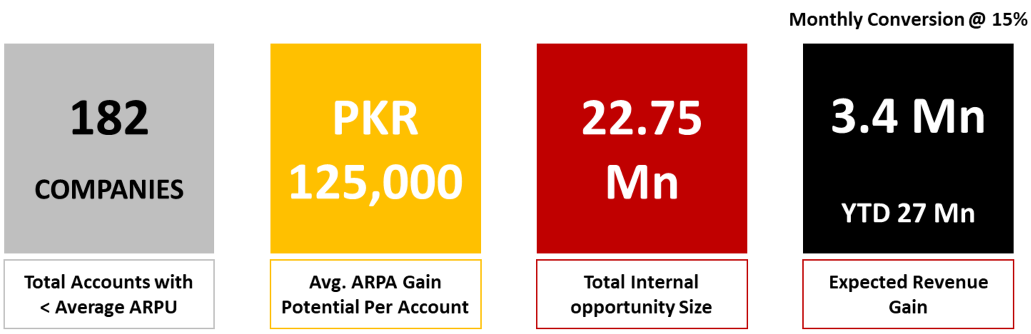
5.1.1 Product-Wise Down Puller Revenue Assessment

Focusing only on the post-paid plans – being the highest grossing – it is clear that a little manoeuvring can raise the revenue by 27 Mn YTD.

This calculation is done though a Business Intelligence software that the Data & Strategy team uses to analyses upsell potential. The system uses inputs of historical data (Average Revenue Per User (ARPU), Estimated current number of employees per company per sector, estimated growth in Human resources per company per sector, and average prices of post-paid plans (including add-on bundles and VAS services – ideal scenario). The system also takes inputs on complex metrics like forex impact, price changes, churn ratio, net adds etc. some of these are known, some are assumed. The data is then altered as per the actual conversion ratios.

This analysis presented that a mere increase of an average 125,000 PKR from the down pullers on a monthly basis can help achieve approximately 27 million YTD revenue.

Figure 10: Expected Revenue Increase through Upselling



This revenue increase is not too difficult to achieve. No rigorous measures will be taken to achieve this. However, it is important to note that if a simple upselling exercise can achieve a bare minimum of 3.4 Mn increase in revenue in just 27 companies, how much more could be achieved in the overall customer base with not just legacy postpaid but also through the telco agnostic products, who's combined ARPA averages at more than 2.2 Mn monthly.

5.1.2 Techniques for Marginal Revenue Increase.

Some of the techniques that can help reach the 15% conversion target are,

Upsell Through Tele-Sales

There is a team that reports into the Vice President of Account Management, that is responsible for managing upgrades and downgrades for existing customers. They also help guide the Single Point of Contact (SPOC) in customer companies in changing package plans. This team, however, doesn't have the sophistication to perform analysis on data regularly to find out which customers are overusing their package limits and paying at base rates instead of bundle rates once the set bundled resources are finished. Here are a few simple things the Jazz's Data team can help them with to increase revenue

a. Assess the usage patterns of existing customers, monitor overages and suggest upgrades in add-ons. This will help in a regular and steady revenue increase, instead of less frequent base rate addition.
b. Assess the patterns of lower postpaid bill limits, especially in cases where usage is barred upon reaching limits. If bill limit consumption occurs before month end, there is an opportunity for upgrading limits. Ergo, increasing revenues.
c. Promotional calls for VAS service subscription to users that may have used them in the past could also help increase restore revenues.

Price Strategy Changes

Price changes are generally subject to change in regulation and forex impacts. In the current economic conditions, inflation and depleting value of Rupee presents the best-case scenario for price changes. Barring contractual obligations, pricing change can be implemented on the entire post-paid base. Here's how price strategies can work in increasing revenue

a. Simple rate revision on all or select post-paid plans, add-ons and VAS subscriptions can achieve a short-term revenue increase.
b. Levying nominal charges on customers returning from churn, re-issuance of new SIM cards against numbers already in service, and minute service charge can increase a low-grade permanent revenue increase.

Cross-Selling of Services Other

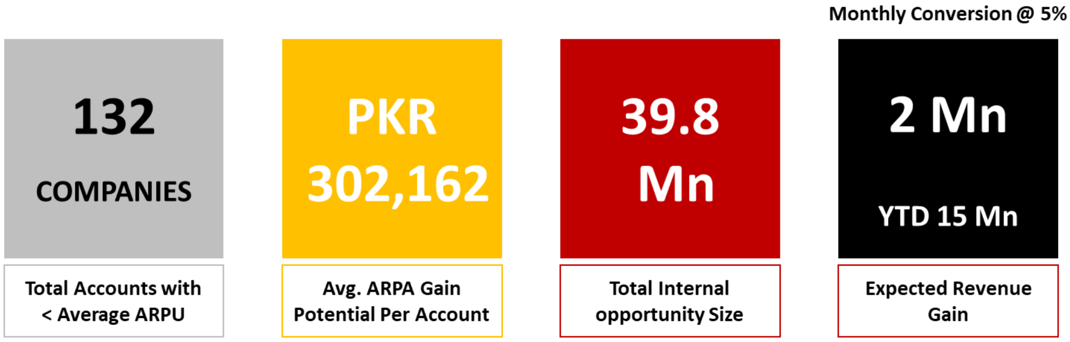
The existing customer base presents as a low hanging fruit, as they already are a part of the Sale Funnel and have a relationship with the company with a dedicated Account Manager. This is an opportunity that Jazz can use to bring more revenue to new product portfolios. Here is what the company can do

a. Hold roadshows and expos, inviting existing customers and showcase the telco agnostic products. Gauge the interest of customers to pursue and close deal later.
b. Assess the product portfolio for customers with the propensity for digital transformation mindset. Conduct visits with these customers to increase sales and in turn revenue.

5.2 EVALUATING THE REVENUE IN NON-CUSTOMERS COMPANIES

Evaluating revenue for companies that Jazz isn't present in is a simple science. However, it is a far-fetched idea to assume the non-customers to migrate from their existing services provider to Jazz, even though Jazz is the market leader. There are about 132 companies outside of Jazz Customer base. A simple calculation on the average ARPA per company per sector gives a good estimate to how much revenue increase Jazz could expect in case 5% of the untapped companies converted to customers.

Figure 11: Expected Revenue Increase through Cross-selling



To be able to bring this revenue, Jazz Business must adopt holistic B2B marketing communications approaches to acquire more customers. Which brings us to the last portion of my study. The methods I prescribe to gain more customers from this point on, are purely based on my 15 years of experience in the industry as well as certifications offered by Hubspot – the platform for digital marketing / inbound marketing for B2B sector.

CHAPTER 6: OVERALL B2B MARKETING COMMUNICAITONS STRATEGY

While it may be stretched target, penetrating new business whether in PSX or in SECP has the same formula.

6.1 BUILDING RELATIONSHIPS

Building long-term strong relationships is B2B Marketing 101. it's the most basic rule. The sales persons usually follow three basic ideologies to build strong relationships

6.1.1 Networking with Potential Clients.

This can be done via Corporate Events like Gitex, MWC, ITCN etc. Meet as many people, build indexes of their positions at their companies and keep a calendar for future meetings.

6.1.2 Personalize Meetings.

Know who you are about to meet, his professional background, his educational background, who might you know in his circle, what common interests you may have with them, etc. Don't do meetings at work alone, meet at Golf courses, Restaurants etc. Send personalized greetings and giveaways.

6.1.3 Close Deals that Benefit the Customer

A deal is not only for your benefit. Help the customer see what good there is in opting for a certain service and for this, know his/her pain points, know what weaknesses in his/her business he/she is trying to fix. Once the customer sees that you have his/her best interest at heart, the decision will become easier.

6.2 TARGETED ADVERTISING AND CONTENT MARKETING.

Mostly, it is believed that a B2B customer makes decisions entirely based on facts and experiences of others. Word of mouth is very strong in the business community. However, at the end of the day, he/she too, still is human. So, there are many ways to approach the subject of advertising in B2B marketing.

6.2.1 Digital Marketing / Advertising

Digital Marketing is by far the most effective tools for B2B after relationship building. It takes less budget than mass marketing, you can target the bulls eye segment, and you can close the loop with an effective Customer Relationship Management (CRM) tool. With a CRM you can ensure that the leads generated through your campaigns get proper closure.

In addition, SEO and SEM are now the most important tools one can use to ensure that the business content appears on the top of all searches. Therefore, all web content must be SEO vetted.

6.2.2 Thought & Content Leadership

Having a campaigns calendar for products and services is one thing, but B2B marketing rest on the shoulders of content. This is by far the most important aspect of Digital Marketing. It can set you apart and establish you as a thought leader in the market.

The content you develop must have three purposes

Sales Support Material

Product explainers, usage tutorials, white papers etc. to understand the product and services better. Since B2B tech services are not easy to understand, having comprehensive content can help customers understand what they need exactly.

Content Calendar

An engagement calendar, through which the potential market can see use cases where the products are implemented, success stories and case studies are published and customers are converted into advocates for your products

Customer Advocacy

The third and most important are content series that talk about new and emerging technologies in the country and why they should be adopted. If a company is providing cloud services, it should seem that they are the masters of this technology and can offer guidance to opt for best suited tailormade solutions for one’s business.

6.2.3 Email Marketing

Email Marketing gives a personal touch. Not the one where you keep receiving promotional messages in your inbox, but the kind that helps you navigate through the conversion funnel better. when someone interacts with your business online, they should receive a response personalized to their needs. There are tools that can do that for us now. If someone is already a part of the conversion funnel, they should receive reading material, video content and presentations to go through before they can make a decision.

6.3 NETWORKING EVENTS

Networking events are the backbone of any B2B business. They can of varying kinds.

6.3.1 Conventions & Expos.

This type of events can only be conducted by a giant corporation like Jazz. Jazz houses more than five Strategic Business Units/Verticals that have their own product portfolios within. A convention can help bring in partners and like-minded business to come together as an ecosystem and showcase their expertise and the strides they are making in technology through massive digital displays. This type of event helps set the thought leadership tone for the company. Only someone who is a leader can bring in partners and even customer together under one roof and hold a conference with everyone’s equal partnership.

6.3.2 Small group meetups

Small group meetups are particularly important for customers within the conversion funnel. Inviting a few to a small venue with a directed approach to answer their concerns is the best way to make a customer feel that they are heard and their needs will be fulfilled.

6.3.3 Roadshows / Customer Connect Events

Roadshows are where a company can invite its customers in 100s and showcase their portfolio and future plans. These are educational for the customers in terms of what the company’s services are about and what emerging technologies can help them increase efficiency and reduce costs. In turn, they help meet potential customers and penetrate new markets.

CHAPTER 7: CONCLUSION

Jazz Business may be a market leader in its industry, however, given the economic condition of Pakistan and the forex impact in the last four year, the cost of business has risen beyond imagination. For this purpose, Jazz must take measures to not only cut its own costs, but also increase revenues to sustain its position in the industry.

The threat of Ufone and Telenor's merger directly affects Jazz's position at the top. With a thin margin, the merged entity will be standing right below Jazz and with the right strategies, could surpass Jazz in market share and revenue in no time. In such times, it is prudent to leave no stone unturned.

What I have given above is a very small portion of what Jazz business can do to sustain its position. Similar efforts in other areas of the business can create more impact in the coming years.

Overall, the telco landscape of Pakistan may be thinning down but out of the three still standing, Jazz has the best chances of survival.