



## THE MARKET

The Uganda telecoms industry is now experiencing the good growth it enjoyed in 2002 and 2003. According to the Uganda Communications Commission, the industry grew by 33.3 percent in 2006/07, rekindling the growth that had once reached the 50 percent mark in 2003/04 before it declined.

Uganda has five mainstream voice and data communication companies competing for a market of about six million but is expected to grow to more than 12 million in the next five years. Industry net profit after operating costs, taxes, depreciation etc, is estimated at 30 million US dollars which is indicative of the high costs of doing business and a harsh taxation regime that claims 30 percent in Value Added Tax (VAT) and excise duty alone. The sector is among the highest contributors to the country's tax purse, having paid 130 million US dollars in the 2006/07 financial year. Of this, MTN Uganda contributed 99 million US dollars.

By end of June 2007, there were 3.7 million subscribers - 3,575,263 mobile and 154,383 fixed lines. Of these, more than two million are MTN subscribers. The growth in subscriber numbers has seen the industry invest significantly in additional network capacity and efficiency worth more than 150 million US dollars. MTN Uganda has sunk 65 million US dollars into network upgrades alone with several more million dollars going towards state-of-the-art customer care centres and new products.

These efforts have seen Uganda's teledensity gradually increase from less than one percent in the late 1990's to 13.3 by the end of June 2007. While close to 14 percent of the Ugandan population own a phone, more than 40 percent have access to a phone, thanks to an extensive

payphone network, estimated at 22,000 spread across the country.

## ACHIEVEMENTS

MTN entered the market as the second national operator. A year later, it had more subscribers than the first mobile phone company in the country. MTN achieved this through a market-relevant approach to pricing, coverage outreach and innovative products. These efforts were backed by a strong and well motivated staff making MTN a market leader with over 60 percent market share.

MTN's market leadership is certainly the company's biggest achievement and has not only been acknowledged by the over two million happy MTN subscribers but also through various recognitions from government and peers in the form of several awards won by the company over nine years.

For three years, MTN has been voted the Most Respected Company in Uganda in the Most Respected Companies' survey. MTN was also the second most respected ICT/Telecommunications Company in East Africa in the same survey.

The Uganda Revenue Authority has awarded MTN three times for being the country's biggest tax payer. MTN has previously won the Investor of the year award and the prestigious Presidential



Transformers Awards for its role in transforming the telecommunication sector.

## HISTORY

MTN's first big opportunity to look at markets beyond South Africa came in 1996 when the Uganda government invited tenders for a mobile partnership with its post and telecommunications service. However, the tender was cancelled by the government. Two years later, the opportunity arose again and MTN was finally granted a license in 1998.

After six months on 21 October 1998, MTN Uganda launched its services.

Entering a market - already occupied by formidable competition required a unique and innovative approach to product innovation, pricing and marketing - a feat that easily propelled MTN to industry leader position.

As opposed to the existing market positioning where mobile phones were the preserve of the rich and priced exorbitantly, MTN made mobile phones affordable. It also traded in the Ugandan Shilling, making it easier for the population to understand.

MTN then started its network expansion beyond the main urban centres, beginning the creation of the 'widest network' legacy that MTN has enjoyed over the years. Because of growing subscriber numbers, MTN pumped in more millions in network upgrades to cope with the growing traffic. In 2001, a third mobile operator entered the market but that did not affect MTN's growth.

As competition increased, MTN learnt that continued creation and wider distribution of products - that work at affordable prices was the





winning formula. This was the genius behind such strategies like the creation of different user profiles: MTN Pay Go, MTN Pay Go Standard, MTN Pay Go Max, MTN Per second and MTN Late Chat and the construction of a wide network infrastructure covering nearly every town in Uganda and over 70 percent of the population, making MTN true to its catch phrase, "Everywhere You Go".

### THE PRODUCT

Other than having the widest network, MTN is also famed for its wide range of voice and data products designed to cater for different customer needs. Personal voice users have a wide range of tariff plans tailored to individual users' communication needs. For example, MTN Pay Go allows users preferential rates across all networks at all times without hidden charges. The different tariff plans come with other value added services like Y'ello Pix where a subscriber can take pictures and send them to friends and family via multi-media messaging.

MTN's ME2U allows users to send airtime from their pre-paid accounts to other phones. There are also other value-added services like free voicemail retrieval and 'Who Called', a missed call alert service that informs them who called when their phone was switched off or out of network coverage.

Business persons have a variety of voice and data solutions to choose from including broadband corporate data solutions, video and multi-party conferencing or voice solutions like TALK TIME designed for heavy users in need of preferential call charges.

In September 2000, MTN built Africa's first

self-healing fibre-to-the-door/building network that now covers most of Uganda's urban areas. This allows MTN's customers to access a wide array of services like voice and fax and high speed data and multi-media services.

### RECENT DEVELOPMENTS

The most recent development is the celebration of over two million subscribers, out of the industry's estimated 3.7 million users.

Ahead of the planned integration of the five East African countries of Uganda, Kenya, Tanzania, Rwanda and Burundi, MTN launched a virtual borderless network across Uganda, Kenya and Tanzania called 'MTN Home and Away'. The service allows a subscriber to stay in touch with friends, family and business contacts on the MTN number while in Kenya and Tanzania, make calls and send SMS's at Ugandan rates and receive calls and SMS's for free. Very soon the service will be extended to Rwanda.

MTN also recently launched MTN Broadband, a high speed internet access service off its new WiMAX network. The service will make high speed internet affordable in the home and small office segments. It has an easy-to-use SMS based balance check and account top-up. In a quest for increased broadband and faster communication speeds, MTN is leading several regional telecom players in setting up a sub-marine fibre-optic cable along the East African and South-East African Coast, the project will not only increase internet and data speeds in the region, but also reduce the cost of bandwidth.

Another recent development is the MTN Mobile Office, a push e-mail and personal information management solution that enables

customers to access their email accounts, calendars and contacts and surf the internet from anywhere at anytime. The service is not device specific and any smart-phone can be set up for Mobile Office.

### PROMOTION

MTN runs robust promotions, communication and public relations strategies executed via outdoor, electronic and print media. The company advertises on nearly all the major FM stations (over 100) and all television stations. MTN owns several strategically located outdoor sites and a consistent presence in print media both in paid for adverts and non-paid for PR support. The brand has one of the biggest advertising budgets in the region.

MTN's latest promotion is the '50% Extra' campaign which gives 50 percent free airtime on the value of the voucher loaded.

### BRAND VALUES

MTN is committed to total customer satisfaction. Delivering the best customer experience is at the heart of MTN and the results of customer satisfaction related surveys and reputation audits are viewed as key measures of success.

MTN stands for five major core values:

- Leadership - MTN builds a future for its people and their customers while leading the way in enabling communication
- Integrity - MTN does the things its promises to do when it says it will do them
- Can Do - Everything is possible at MTN
- Innovation - MTN does things differently and better. Its innovations are driven by the need to offer products that have a 'wow' impact on customers and are simple to use
- Relationships - For MTN, great customer care does not stop at creating great products but goes all the way in building relationships with customers and its people, knowing what they desire and delivering it to them

### THINGS YOU DIDN'T KNOW ABOUT MTN UGANDA

- Everyday, at least 1,500 people join the MTN Uganda network
- For the last two years, MTN has been voted the most respected company in Uganda
- For the last two years, MTN has been the country's leading tax payer
- Total domestic traffic for FY2006/2007 was 2.4 billion minutes
- The company has invested 65 million US dollars in network upgrades alone
- MTN Uganda pioneered charging in local currency

