



MEDIA, TECHNOLOGY, INSIGHT

Published on *Tech Media Reports* (<http://www.techmediareports.ca/reports>)

Globalive chief talks more about wireless plans

By *Perry Hoffman*

Created 10/27/2008 - 3:41pm

When **Global Communications Inc.** announced [plans](#) [1] to implement **MyScreen Mobile's** mobile advertising solution as part of its wireless service, it demonstrated the company's willingness to experiment and be creative when it comes to wireless pricing. And chief executive Tony Lacavera recognizes that his wireless company is going to need to offer something different to compete with the incumbents.

As Globalive continues to fit the remaining pieces of its wireless puzzle together and despite a potentially drawn-out economic downturn, the company is confident it will hit its launch date of mid-2009.

Lacavera, president and CEO of the communications company, took time out of his busy schedule to talk to Report on Wireless about the new mobile advertising initiative, network deployment plans, as well as putting an executive team in place. Below is an edited transcript of the interview.

RoW: How is this program going to work? Will subscribers get free airtime or points towards a rewards or loyalty programs?

Tony Lacavera: It could be something where the user opts in for a variety of different incentive programs, free or reduced airtime or even free data usage. Users may also be interested in discounts on products, building up points on another loyalty program that we may be able to partner with. There are a lot of loyalty programs out there that are doing really well, so we're reaching out to them to see if there is a partnership opportunity. A direct financial incentive I think will appeal to some people but not as much as others.

RoW: In what formats will the ads be presented?

TL: The way the ads are presented is very interesting. In order to minimize data usage, the ads are stored on the phone and there's an updated loop, but the actual footprint of the ad is very tiny. Wherever possible we don't want to consume data usage on the consumer's plan because that will obviously offset any financial benefit they're getting from watching the ad.

At the end of an event, which is an SMS or call, the wallpaper on the phone becomes the ad until another button is pushed. That's the way it works. So for an advertiser it's relatively

non-intrusive and the consumer will see the ad for a few seconds.

RoW: What's the benefit to advertisers?

TL: From an advertising perspective, the benefit is the software and systems behind the application that permit an extremely targeted advertising campaign and that's what we found was appealing to carriers. We think the industry has to go in a direction of having truly non-invasive mobile ads. Even if you're opting in, you don't want to be overwhelmed with all kinds of ads because people are just going to opt out. I know the ad customers will appreciate us offering some sort of value differentiator versus the incumbents.

I think there needs to be a balance. There can be some kind of discount offer on a particular product in addition to the opt-in, and we're talking to advertisers about that to see if they may be interested in participating. Even if they give us less revenue on the advertising side, we can pass through more incentive to the ad customer. We really want to attract customers for our wireless service, so we don't need advertising to be a really big profit centre.

RoW: The addition of the MyScreen application doesn't alter your plans to have a low-cost \$30 per month pre-paid offering?

TL: We're going to have two types of pre-paid. We're going to have pre-paid that's in the market today where it's variable cost, as little as \$15 to \$20 per month. We're also going to have these large minute bucket fixed price plans up in the \$40 range, which are going to be like the all-you-can-eat type plans. So we come up with \$30 as being an average of traditional prepaid and the unlimited users.

RoW: There have been some successful mobile advertising programs such as Virgin Mobile's Sugar Mama program, but Canadian carriers have been reluctant to embrace mobile advertising. Why do you think you are going to be successful?

TL: I think firstly the MyScreen platform is different than the Sugar Mama platform. The Sugar Mama platform is a lot more in your face, a lot more invasive to the user. It's much more integrated with the use of the phone. We spent a lot of time trying to find this balance similar the advertising model on TV. It works because it's not overwhelming. It's just there and there's nothing invasive about it.

RoW: Is mobile advertising a game changer in terms of pricing?

TL: I'm sure Google would love to say that it is. I don't see that. I tend to see that it's going to become a component of wireless. You still have to pay for your cable, you still have to pay for your high-speed Internet even though advertising is growing on the Internet. ISPs are still charging for access and prices are going up. Advertising is going to be there, but people are still going to be paying for service.

RoW: How many subscribers do you need to take the service for it be considered a success?

TL: We're hoping to offer some opt-in plans or at least some very early test plans in conjunction with our launch. We're currently well down that path, so I think there is a chance we'd be able to do that. It could become 5% or 10% of our sign ups at the start. We're trying to figure out how we could potentially integrate mobile advertising with the Yak Wireless pitch to begin with so that instead of it becoming an add-on later when someone first signs up for Yak Wireless they have the opportunity to take advantage of it.

RoW: What types of bundles will Globalive offer?

TL: On the soapbox site we created, we heard from a lot of people about bundle options. What we think is going to be most interesting is a Yak Internet-Wireless bundle. Then if people want they can add a digital voice plan on top of that. We're toying around with the idea of allowing you to buy wireless and high speed Internet at home and then offering you digital home phone with the same number as your wireless phone for a small incremental cost.

RoW: Will this be similar to Rogers' and Fido's fixed mobile convergence service?

TL: We're looking at these various offloading technologies, but we don't think that's going to be ready for 2009. We won't be doing femtocells or anything like that.

RoW: How is network rollout proceeding?

TL: We're down to three vendors and we're negotiating. The good news is that because there's been such a significant downturn in wireless builds around the world, the vendors are really hungry. We also think that taking advantage of Orascom's scale in working with these vendors means we're in really good shape on that front. On the handset front, there's always speculation that there's not enough AWS handsets, but there's good news on this front as well. Nokia, Samsung, Sony Ericsson and Motorola - 80% of the world market - all have terminals out for AWS. So that issue is gone. We're exploring email solutions as well and we think we're going to have a variety of email solutions available too.

RoW: Decision on platform?

TL: We haven't officially announced that and I'm not going to officially comment on it today but suffice to say we want to be able to take advantage of LTE and we need build a mobile broadband network so HSPA is very important. In order to not compromise our vendor discussions we don't want to officially announce that.

RoW: Bringing in Ken Campbell to run the wireless division is a big piece of the puzzle. What else do you need in terms of staffing before launching mid-next year?

TL: Ken is a great addition for us. We're excited to have him on board. He's got a lot of experience obviously in wireless and again in a lot of markets where he can take the best practices out of these international markets and bring them to Canada. I believe this week or next we will have finalized the head of marketing, Ken's right hand man, which is a really important hire. Brice Scheschuk the CFO of Globalive is going to serve as CFO of the wireless business at least at the start. Stewart Thompson, VP corporate development, who has been with me for a long time, is going to move over to wireless. So by the end of this week or early next week, we will have the four key executives in place. On the technical side, we should have a CTO before the end of the year and those five people will be executive team to start.

We're working closely with the vendors on the network build out and everything seems to be rolling along. I haven't seen any red flags yet in terms of that 2009 launch.

RoW: How are roaming and tower sharing discussions proceeding?

TL: Do I need to say anything other than laugh?

RoW: Are the incumbents playing hardball?

TL: Look, maybe one day I will be 25%-30% of the market and in that case I will not be too

excited about someone coming in either. I don't see that they're playing hardball, I think they're doing what you would expect. They're defending their business.

RoW: Is it a problem that the rules aren't yet clear from Industry Canada on how all roaming and tower sharing is supposed to play out?

TL: Overall I think Industry Canada has done an amazing job here, but I would really like if they came out and said here's step one through 20 or here's what we expect to happen. But we have existing relationships with the telcos on the wireline side, so we know who all the players are and we're having conversations but nothing has been formalized as of yet.

(ROW) Wireless

Source URL: http://www.techmediareports.ca/reports/content/8880-globalive_chief_talks_more_about_wireless_plans

Links:

[1] http://www.techmediareports.ca/reports/content/8871-mobile_advertising_key_part_of_globalive's_wireless_offering