YTL Communications is a new Tier 2 telecom operator in Malaysia which launched a mobile WiMAX service with voice capability in 2010. Entering the market with the brand yes last November it has cornered close to 14% of the retail broadband market in Malaysia in about two years from commercial launch.

Client Situation

During the last quarter of 2010, YTL Communication began its marketing and network implementation in preparation for a commercial launch in November, 2010. Despite not being a Tier 1 operator, YTL sets its sights towards challenging Tier 1 mobile operators (e.g. Maxis, Celcom, Digi) by introducing mobile voice and mobile broadband service through a WiMax offering. This ambitious product positioning presented a huge challenge for the company and all the vital areas of its marketing launch plan were covered except for pricing. A comprehensive pricing strategy needed to be developed in one month’s time, taking into consideration pricing from competitors, product roadmap, profitability aspects and competitor’s pricing moves.

Our Response

Detecon provided commercial and financial experts on the ground, who immediately worked with the local team from the client side while research support was provided remotely. The scope of the work and deliverables have been agreed and validated by the client based on the immediate needs and changing conditions. Furthermore, coordination meetings, milestones and escalation procedures were defined to ensure the project was delivered on time. Our services included more than just consulting: Detecon and the client were able to sit down and discuss as well as fine tune other aspects of YTL’s market launch activities. Product design and marketing along with communications were aligned with its business goal of a successful...
commercial launch.

In summary, the team was able to produce all the necessary deliverables. A competitors’ pricing analysis and assessment, a pricing strategy for the commercial launch and a pricing roadmap & contingency plan were completed. Furthermore, a tariff simulation tool with which YTL could compute the profit margins and the influential factors while using various pricing plans and tariff rates to compare them with its competition was created.

After several iterations, YTL was able to go live with a unique and innovative pricing that was in a way “first in the market”. Under the brand yes and its enthusiastic CEO, Mr. Wing, YTL has continuously challenged the norms by launching innovative approaches to service providing, one of which is a pricing strategy to differentiate itself from competition.

**Client Benefits**

YTL benefited by being able to validate the various pricing concepts and approaches for its commercial go-to-market. The pricing proposition was not only innovative but also profitable. By delivering a customized tariff tool for YTL, Detecon enabled the simulation of all pricing options (those possible in Malaysia) in terms of gross benefit and margin, and from there derived each pricing proposition intended for its specific customer segment.

It was no surprise that yes subsequently won the award “Best New Service” in the Prestigious Global 2011 Infovision Awards. Barely a year old, yes earned a prodigious place amongst global leaders in the broadband industry for innovation and value.

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“Everything is worth what its purchaser will pay for it.”

Publilius Syrus