

Claro deploys location-based family and friend finder service in Central America



Creativity Software hosts GMLC and LBS application to enable service

With a potential US\$291 million of new revenue per year, Claro, the second largest mobile network operator in Guatemala and part of the América Movil Group, the fifth largest mobile operator in the world in terms of subscribers, decided Location Based Services (LBS) provided a commercial opportunity too substantial to ignore.

Key benefits:

- » Additional revenue stream for the operator and increased ARPU.
- » Creativity Software allowed rapid customisation of new services, helping Claro reach product development and time-to-market goals.
- » Accessible to all subscribers as deployment approach avoids any handset modifications or downloads.
- » Scope for future LBS deployments as robust infrastructure now in place.
- » The success of the solution has attracted interest from peer operators within the América Movil group. Opportunity for shared learning, best practice and economies of scale benefits.

Challenge

In recent years mobile operators have been confronted with the challenge of declining revenue from traditional voice services which is having a dramatic impact on overall average revenue per user (ARPU) levels. Despite a healthy 32% share of the market and upwards of 3.5 million subscribers in Guatemala alone, Claro like other operators, needed to address the declining ARPU. The operator also wanted to find services to differentiate its offering but with minimal Time-to-Market (TTM).

One option for mobile network operators has been to invest in data services in order to increase ARPU levels from new sources. However, this has not been without challenges and in certain instances the adoption of some data services has been disappointing, particularly in consumer segments, with users unable to engage due to handset device and functionality limitations. This presents a clear challenge: how can mobile operators launch revenue generating data services that are suitable for true mass market deployment?

One data area in particular which can be highly lucrative for mobile network operators is location-based services, especially given the unique position they are in for deploying such services. Location-based services (LBS) are particularly attractive to operators because they command premium prices.

Claro identified LBS as the ideal value added data service to invest in as part of a strategy to increase overall APRU levels. It was a service that could be easily understood by users and was suitable for mass market deployment. This was crucial to Claro as they wanted to ensure the service was available to both existing and potential subscribers. The operator also required a hosted solution to fit into its current business model.

However, the decision to deploy LBS presented Claro with technical challenges at a network level since they did not have a Gateway Mobile Location Centre (GMLC) to retrieve mobile location data from their network.



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Marvin Par, General Manager of Claro for Central America.

Solution

To meet the challenges faced by the operator and after a stringent selection process, Claro selected Creativity Software as the LBS vendor of choice. With extensive deployment experience worldwide, and an excellent reputation in the field, Creativity Software was deemed the ideal partner. Crucially, Creativity Software was experienced in deploying both LBS infrastructure and applications – demonstrating high competency in all areas of the LBS value chain. The location-based service specialist provides both hosted and non-hosted solutions, meeting the operators' requirement for a hosted solution.

Importantly, Creativity Software also provided Claro with access to a highly specialist LBS management team and an international cadre of engineers with vast language and cultural skills. This has helped Creativity Software to understand customer requirements and expectations, enabling the LBS specialist to deliver solutions in a cost-effective and timely manner.

To prepare the Claro network for the deployment of location-based services, Creativity Software first needed to install a GMLC to enable positioning information to be obtained. Creativity Software's GMLC performed interrogation of the Home Location Registers (HLR), using the "Anytime" function. This methodology requests an update of mobile location from the network, providing real-time data that can be used by the location applications.

Once the network was prepared and the GMLC installed, Creativity Software worked with local partner, OSI de Guatemala, a leading Hosting Service Provider (HPS) and Systems Integrator (SI), to set up the hosted platform and perform integration and support services. Claro was then in a position to start marketing and deploying location-based services to its subscribers. The first service Claro decided to launch was *Servicio de Localización de Claro*, a family and friend finder based on the FamilyWise solution from Creativity Software.

Servicio de Localización de Claro is a simple location-based service that enables friends and family to locate one another via a simple SMS (Short Message Service) request. SMS provides a ubiquitous, familiar, and simple interface for accessing data services. Location information would be provided in the form of a simple text message, returned to the user in response to a request, also generated by SMS. For example, the solution might return a message stating that "Manuel is in the vicinity of X" in response to a location request. This Cell-ID and SMS deployment approach avoided the need for downloads or modifications to handsets – therefore simplifying the service and ensuring its accessibility by all.

Like all applications from Creativity Software, FamilyWise is a white label solution enabling Claro to brand it as they wish. They also benefit from reduced risk by using an established product from a specialist LBS provider, enabling them to meet their product development and time-to-market goals.

The *Servicio de Localización de Claro* has engaged friends and family members alike and both pre and post-paid subscribers are now able to locate friends and relatives. It is popular among friends who use it to make social arrangements as well as with parents seeking reassurance about the location of their children. The service enables Claro to offer their subscribers a new user experience with real customer value.





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About Creativity Software

Creativity Software is a UK company that specialises in Location Based Services. The company provides Mobile Network Operators globally (GSM & CDMA, 2G & 3G) with Location Positioning Infrastructure, Middleware and Applications, enabling them to:

- comply with lawful intercept government legislation for security or emergency services purposes
- deploy zone billing (preferential mobile phone rates for calls within the user home zone for example), and
- deploy new revenue-generation services for both consumers (e.g. Family & Friend Finder, Travel, Social Networking) and enterprises (Vehicle Tracking, Field Staff Management, Location Based Advertising)

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Results

So far, Claro has achieved sign-up rates of a staggering 5% from discrete marketing campaigns - relative to an observed 2% norm for other service deployments. Claro has leveraged SMS to advertise the service, promoting *Servicio de Localizacion de Claro* via marketing messages sent to its subscribers. Subscribers have been enthusiastic about the new service and have embraced it quickly. Moreover, as the promotion is extended to all 3.5 million subscribers, Claro anticipates at least 175,000 subscribers for the new service.

From the outset Claro's key objectives included:

- » Increase ARPU.
- » Create differentiation.
- » Decrease Time to Market (TTM).
- » Minimise costs.

The deployment of LBS by Claro, utilising the positioning technology and location applications from Creativity Software, has allowed the operator to rapidly start addressing each of these objectives and set Claro on a fast-track path to substantial revenues generated from data services.

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Saul Olivares, Market Development Director for Creativity Software in the UK, comments: "We are very pleased to be part of this success story and look forward to helping Claro launch further innovative and profitable location-based services in the future."

After the early success of *Servicio de Localizacion de Claro* in Guatemala, it is likely that Claro will roll-out additional location-based services to further increase revenues, enabling them to target different markets and provide new service offerings. The extensive suite of location-based service applications available from Creativity Software provides Claro with considerable scope for future LBS deployments.



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