Danielle Royston(00:00):

I'm Danielle Royston and this is Telco in 20. We're doing it again. Another what's up with Totogi.

Music (<u>00:17</u>):

What's up with that. What's up with that. What up with, Totogi?

Danielle Royston(00:27):

I get asked all the time, "why on earth is Totogi focused on charging?" And the reason people ask me that is because everyone thinks charging is a commodity. They're like, it's super old. When was the last time there was anything to talk about in charging? I mean, people think it should be given away for free.

Charging is such a commodity that even Erickson and Huawei usually do give it away, and bundle it with their network kit, destroying all of the price points in the industry, making it really, really hard for onpremise charging software companies, to hit the price points they need to generate a profit. How do I know this? I was once the CEO of a publicly traded telco charging software company. Remember? I do agree charging is a commodity – if you're doing it the old and busted way everyone has been doing it to date. But that's about to change.

Danielle Royston(01:21):

I think charging in telco has huge untapped potential. Charging engines are at the core of telco and can be huge levers to improve a telco's performance. Your charging engine has all the data that can be used to do things like reduce churn and increase customer engagement. I know that the lame and boring charger you have installed today doesn't do cool things like this. But the Totogi charger I'm building does. And so today on the podcast, I have an expert in charging and rate plan design, Hakan Dursun, who is the CMO of Totogi. He has worked for Boston Consulting Group and Booz Allen, where he advised more than 30 telcos in 20 different markets on how to improve their rate plans, and most recently was CMO at Turk Telecom, a 51-million subscriber, tier-one telco in Turkey. And I can't wait to have you listen to a quick conversation on how charging in telco is going to radically change. So, let's take 20. Hakan Dursun is chief marketing officer of Totogi. Hi, Hakan.

Hakan Dursun (02:27):

Hi, DR.

Danielle Royston(02:28):

Hi. Welcome to Telco in 20 and the podcast.

Hakan Dursun (02:31):

Thank you. Thanks for inviting me.

Danielle Royston(02:33):

I think this is gonna be a super fun conversation. The first thing I wanted to do was tell everyone about how you were one of the first people I hired at Totogi. And when I found you at the time, I believe you were CMO of Turk Telecom, which is a 51-million subscriber, tier-one telco. And so, tell me again about the first time that we met. How did that all happen?

Hakan Dursun (02:57):

I think we met in November 2020. I received a random phone call on a Friday night. And it was you. I was actually driving for dinner and I pulled over right away to take the call.

Danielle Royston(03:10):

Was it like [sound effect] on the side of the road?

Hakan Dursun (03:13):

Exactly. And we hit it off immediately. It was a great conversation. And at the time I think I had two offers on the table, both were C-level telecom offers. But here I am with you. I joined Totogi.

Danielle Royston(<u>03:26</u>): You joined Totogi.

Hakan Dursun (<u>03:28</u>):

I am with Totogi.

Danielle Royston(03:28):

I was telling you all the crazy things I wanted to go do. And it was a random call. I got your resume and found you, and I just WhatsApped you, I just called you out of the blue. And so, the reason I really love talking to you all the time, even still, is that you have an amazing perspective of what it's like to be a real chief marketing officer, a real CMO inside of a telco. And so, I imagine these people busy at their desk, busy in their job, probably the most time that they spend their time on is thinking about and designing exciting plans and tariffs, right? Like how are they gonna monetize the network and offer it to the subscribers in a way that people wanna buy it? And so, the plan design and these tariffs is a big component, a big piece of the charging engine. And so, what's it like to be a CMO designing and managing all of these plans?

Hakan Dursun (04:27):

There are tons of plans, DR. Thousands of plans to deal with. Plans for prepaid, plans for post-paid, plans for acquisition, plans for retention, plans for ARPU, plans for migration, plans, plans, plans ...

Danielle Royston(04:44):

Old plans, new plans, plans for World Cup, plans for Olympics. I mean, it's, it's crazy. Yeah.

Hakan Dursun (04:51):

Exactly. And the key insight is, 90% of the subscribers are on 10% of the plans only.

Danielle Royston(04:59):

That's insane. That's such an interesting insight. It was something you told me way back, this interesting distribution of subscribers to the plans that they've signed up for. And so, why is it? Is it because it's super easy to generate plans? It's really easy to launch new plans to market? So CMOs are just like, yeah, try a bunch of different experiments. And it's so easy, so quick, it doesn't matter? Is that why there's so many plans inside of a telco?

Hakan Dursun (05:25):

How long do you have for me to tell you about this terrible process?

Danielle Royston(05:30):

I had a small feeling that it was an awful, awful process.

Hakan Dursun (05:35):

It takes months. Even the simplest plan takes months. And if I want to do something cool, like a bundle with Netflix, or a bundle with Spotify, then it really takes five to six months.

Danielle Royston(05:49):

Half a year.

Hakan Dursun (05:50):

So I can never respond to competition in time. I can never take quick action, and I have to go to IT for everything. The process is like never-ending table tennis between marketing and IT.

Danielle Royston(06:03):

Ping pong. Yeah. Back and forth.

Hakan Dursun (06:05):

Back and forth, exactly. And in addition, I have to stop all my business activities because there is a version upgrade of the charging engine. Or, I just have to depend on my vendor's capability for doing what I want to do. That's crazy.

Danielle Royston(06:21):

Yeah. I imagine this is one of the just massive pain points inside of a telco. And so, I think that's just terrible. Like, that's just a terrible business existence hanging on the CMO's plate, the responsibility to add new adds, keep the subscribers and reduce churn, and grow ARPU – it's really hard and it's really, really slow. And so, this insight that we had where the majority of the customers have adopted a few plans, and it takes so long to get to market, I'm like, this sounds horrible, and this is a big problem that we wanna fix.

But another part of the conversation that we had was, "Hey, Hakan, obviously you guys sit there and wish for things to be better and imagine a future that could be more improved. And so, when you talk to other CMOs in the industry, what kind of ideas do you guys just organically have that you guys are just dreaming up and wish things were better? How do you guys think about and talk about that?

Hakan Dursun (07:19):

This is definitely the biggest challenge for any telecom marketing, for delivering business results and performance. So, I think telco CMOs have tons of ideas to make this process better and to drive better business results ... like letting my marketing team design their plans themselves without IT. Like, getting a plan to the market in days instead of weeks. Like designing bundles with OTTs very easily, not in five, six months. Like benchmarking and copying a telco in a different market that's performing very well.

The problem with the current design is that they are big, broad designs, and they are designed to catch lot of different people under the same umbrella. So, I think one of the key ideas is to give the power to the subscriber and to let them design their own plans. But the problem is, the subscribers don't know what they actually want or what they actually need. So that's why this self-design has never really worked well.

Danielle Royston(08:29):

Yeah. They don't know how much data they use. They have no idea how to get it and figure it out and then ask for it.

Hakan Dursun (08:35):

So yeah, exactly. So CMOs dream would be to build personalized plans for every single subscriber in their database, which means like, 51-million subscribers. And how would you do that? Because we cannot even manage thousands of plans, which is much, much less than 51 million.

Danielle Royston(08:54):

It seems like this impossible thing. And I think that's almost true in every industry, the idea of, well, if I could market to the individual person, they would be happier. Cause it's exactly what they need. And so, this is what we're trying to drive with Totogi. I think the exciting thing, when you and I first talked, I guess it was about 18 months ago, and I told you what I was trying to do with Totogi, I think you were like, "wow, that would be amazing."

Hakan Dursun (09:19):

Knowing that you could do this with Totogi, and it was definitely one of the first things we discussed, you and me way back in 2020, that really got me very excited as a CMO, what you were talking about doing. And I thought back then, if we are successful with what we are doing at Totogi, every telco in the world is going to want to buy this system. And this is going to change the telecom industry.

Danielle Royston(09:46):

And that's what we're trying to do. We're trying to change telco, not just for the telcos. Some people are like, "ARPU will continue to just kind of be eroded by the OTT players or by the public cloud providers." And I'm like, no, it's not. We have this huge opportunity. Not only that, we're gonna make it great for subscribers and I totally believe that.

Hakan Dursun (<u>10:06</u>):

We will. We will. So now, I want you, DR, to tell everyone what you told me that was so amazing about the Totogi system.

Danielle Royston(10:14):

The way I sold you and convinced you, don't become another executive at a telco, but come join a crazy girl on the crazy software side? So, yeah.

Hakan Dursun (10:22):

Yes, exactly.

Danielle Royston(10:23):

So, let me tell you what I think is so amazing about what we're building with the Totogi charging system. I don't think I'm gonna surprise anyone by saying it has to do with the public cloud. I'm the public cloud evangelist. I talk about that all the time, but it is such an enabling technology, and it's not just about the servers, and it's not just about the infrastructure. But really what it is, is that three, best tech companies in the world have built this software that they've used in their own businesses to hyper-target people and grow their customers, and know how to filter through internet planetary-size data sets to target people. And now, they let any software company, like Totogi, use it for themselves, and we get to pay for it by the use. And not only us, telco companies can do that.

Danielle Royston(11:17):

And so we think this is a huge, big idea. It's not about the storage and the compute and the chips or the data center – all of that is extra. But it really is about the software. So, I think we're standing on their shoulders, and we would not be able to do what we're doing without them. And it's amazing. And so that's a great foundation. I think number two, and this is where it gets really exciting, is the machine learning and AI, which again, battle tested by the three best companies in the world from a technology perspective, to help us figure out how to auto-detect a subscriber that could spend more, or see the signals because we've seen the patterns on how a subscriber is gonna churn, and intercept it. And do new experiments to try to capture new subscribers that might be coming into your telco, might be considering your network.

Danielle Royston(12:06):

And then not just recommended it. There's a lot of systems out there that'll say, "hey, we make this recommendation." By the time you get it from the recommendation, out of analytics, from the marketing team, into the systems of action, where you can actually change the plan or pitch the subscriber when they're leaving ... the big difference with our system, you can automatically implement it. Not only at a touch of a button, which depends on a human to push that button, but you can do it with an API call automatically, automatically detect it.

And so, this is our view of charging. It's API-based. You can program with this, you can ask the system, "what's the churn propensity of this particular subscriber," or "what's the recommended plan given the situation?" They've had an outage or a series of bad experiences with our network, what can we do? And we use the word "charger" because that is the space that we play in, but it's not just a plan design system and a charging engine like everyone else's commodity charger that exists today. It's a whole new way of doing charging. And I'm gonna say it, I think it's gonna help telcos double their ARPU. And people laugh at me all the time. You just laughed. People laugh because it's insane. And I'm like, I honestly believe this is what we're trying to go do.

Hakan Dursun (13:21):

No, that's great. How long will it take this system to make these recommendations? Is it four weeks, six weeks?

Danielle Royston(13:27):

Minutes, Hakan. Like, instantly. I literally think the biggest problem that we have with our system will be getting marketers, people that would've been in your organization previously, to trust the system, trust the recommendations, and go ahead and push the button. Say yes, go ahead and shoot out all of these offers to all of these potential churning, porting-out subscribers, and intercept them. Or, we really do believe it's not gonna erode customer loyalty or their perception of our telco if we send out these offers

to increase their ARPU. We think these designs will be better. They'll be designed by the machines, and not the humans. And that's a big, big change in our industry. And I think that'll be scary for a lot of marketing departments to kind of go in autopilot mode, and not be hand-designing these plans. And I think it's gonna be different. So they're gonna love the speed, but they're gonna be scared. And so, they're just gonna have to experiment in small batches and learn to trust it. When it starts working, it's gonna be like a hockey stick. It's gonna be fricking amazing.

Hakan Dursun (<u>14:27</u>):

Wow. Do I need to get these recommendations implemented by IT every time?

Danielle Royston(14:32):

This is so awesome. No, you don't need IT. That ping-pong game that you were talking about ... we went and talked to a bunch of marketers and asked them about their biggest frustrations, and chargers are mostly sold through IT departments. They're not sold to marketing. Marketing's like, "my job depends on the charger and being able to design plans very quickly, but all of the charging companies are mostly selling through the IT departments cuz it's a technical sale." And so, we've built our system so that marketing teams can do it themselves. And even better, there's an API that you can start to put where you need to make these decisions and can do it automatically for the marketers. So ,dynamically building plans, automatically offering them to subscribers, subscribers will be accepting them, and it goes in the charger, and you can do it in whatever system we wanna do this. It could be in the retail point of sale on a kiosk. It could be on the mobile phone. It could be on the website. It could be in the call center when someone's having a problem. Boom, boom, boom. Super, super easy.

Hakan Dursun (<u>15:34</u>):

No, that's great. So let me summarize. So you are achieving hyper-personalization without designing every single plan manually, and without making people design the plans themselves, and it's all algorithmic, and it's all instantly done.

Danielle Royston(15:49):

This is all algorithmic. It's all instantly done. And I think it's gonna change telco. And I think this is the future of telco.

Hakan Dursun (<u>15:57</u>): It's all great. Danielle Royston(<u>15:58</u>):

It's amazing.

Hakan Dursun (15:58):

It's amazing.

Danielle Royston(15:59):

So I think, just to channel little Jerry McGuire. I had you at "hello," right?

Hakan Dursun (<u>16:04</u>): You had me at "hello."

Danielle Royston(16:07):

I probably had you at hyper-personalization. I had you at no IT. I had you at marketing people could just design their own plans. It is an awesome little system. Everyone that sees it can't believe that it works and that it's real. And we can set up a pilot literally in a few hours. We could do it in a day. Usually the IT department and getting the network connected takes a couple weeks. But yeah, it's so amazing. And we're so proud of it. Go, Totogi!

Hakan Dursun (<u>16:31</u>):

It's going to change telco. Go, Totogi!

Danielle Royston(<u>16:34</u>):

Awesome. Well, thanks so much for spending time with me today on the podcast.

Hakan Dursun (16:37):

Thank you very much, DR.

Danielle Royston(<u>16:39</u>):

Stick around, because we're ending each podcast with a Telco in 20 takeaway. I have 20 seconds to tell you something you need to know.

Danielle Royston(16:50):

You just heard how excited Hakan is about how Totogi is changing the landscape of charging in telco. We think you're gonna become a big fan, too. If you wanna swap out your old, lame, commodity charger from the nineties, so you can drive higher customer engagement, lower churn, and grow your ARPU, then come to my webinar. We're gonna show everyone what we just talked about – how the Totogi charging system can create highly individualized plan for subscribers, and give marketing folks exactly what they need to increase their ARPU. To sign up for the webinar, head to Totogi.com. It will be held in early May and available to CSPs around the world. Join me. And if you have questions about Totogi or charging, you can also give me a call or WhatsApp me at 925-TelcoDR. As usual, follow me on Twitter at

@TelcoDR and connect to me on LinkedIn. And don't forget to sign up for our totally awesome newsletter at TelcoDR.com. Finally, if you love this podcast, share it with your colleagues and leave us a review. See you at the webinar.

Later, nerds!