

## Data to DTAC rescue

More services offset flat voice revenue

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SINGAPORE : Despite posting flat quarterly revenue growth, the Thai mobile-phone industry is expected to pick up in the second half, helped by the still-high revenue growth of non-voice market, says the CEO of DTAC.



Mr Johnsen (centre), Mr Thana (right) and Pakorn Ponnachet, senior executive vice-president for value-added services, celebrate DTAC's award for most innovative application of the year for its ATM SIM service at an industry event in Singapore.

Tore Johnsen said that even though the country's second-largest mobile operator reported first-quarter revenue growth of only 0.1%, it expected its non-voice revenue to rise by 20% to 8 billion baht this year.

Service revenues of the three major operators - AIS, DTAC and True Move - recorded flat growth in the first quarter with a total of 41 billion baht. Their combined new subscribers dropped significantly to only 800,000, compared with 3 million in the same period last year.

DTAC alone gained 200,000 new customers.

Mr Johnsen said he was optimistic of a recovery in the industry in the second half, helped by non-voice services coinciding with cost cuts of 5-10% and maximised utilisation of network capacity.

DTAC has set 12 billion baht as its cash-flow target this year.

Thana Thienachariya, the chief commercial officer, said DTAC was focusing on innovative services to retain its existing customer base and broaden the non-voice revenue stream this year.

For example, it is considering seeking wider co-operation with more banks to expand its successful ATM SIM service for mobile banking.

DTAC last Thursday in Singapore received an award from Frost & Sullivan, a global consultancy, for most innovative application of 2009 for its ATM SIM service.

The company was the first Thai winner of the award. The ATM SIM has also won three other accolades: "Best Mobile Money Service" at the GSM Association's Asia Mobile Awards 2008 in Macau, "Project of the Year" at the Thailand ICT Excellence Awards 2008, and "Excellence in Mobile Phone Banking" at the Asian Banker Excellence in Retail Financial Services Convention 2009 in Singapore.

ATM SIM is a joint service launched by DTAC and Kasikornbank in March 2008. The cards allow users to conduct financial transactions with banks and update accounts via mobile phones, purchase movie tickets from SF Cinema City, and receive alerts for bill payments.

The four highest-traffic services are account balance checks, prepaid airtime refills, money transfers and bill payments.

DTAC earns 5 million baht a month from transaction fees through 1 million subscribers to the service. Transactions total 7 million for a value of 5.5 billion baht a month. The company earned a total 100 million from ATM SIM in the first year of operation.

"We expect to have a total 1.3 million ATM SIM subscribers by the end of this year, targeting payroll service for corporate customers," Mr Thana said.