Business Review
Group Digital L!fe

MARKET TRENDS
Rapid advances in technology, the proliferation of smartphones and a surge in demand for mobile internet services are changing customer behaviour and expectations. With the convergence of technology and communications industries, digital companies are competing with us in the telco space.

SingTel’s response to these trends led to the establishment of Group Digital L!fe in 2012, marking our evolution from a traditional telco into a digital communications provider.

The mobile internet is a game changer; it has altered how people live, work and play in developed markets. Similar trends are playing out in the emerging markets, where limited fixed-line infrastructure means that many users’ first contact with the internet is through their mobile devices. This opens the door to a new world of media consumption, shopping and TV experiences for users in these markets.

STRATEGIC PRIORITIES
Group Digital L!fe’s focus is to create new growth opportunities and revenue platforms in mobile-led internet usage.

By doing so, we are deepening SingTel’s relationships with customers through new products and services to inspire, delight and engage our customers in the digital space. Our solutions are developed through an understanding and anticipation of our customers’ behaviour and expectations.

We are making investments directly and through partnerships to gain access to new technology and talent. In our investments, we balance implementation risks with opportunity. We are confident that we have in place the right structures, capabilities and initiatives to succeed.

OUR ASSETS/STRENGTHS
Our most valuable asset is the half a billion mobile customers whose lives are touched by SingTel every day in the developed and emerging markets. These relationships are the foundation of our future growth as we broaden our services.

In the emerging markets, where credit card adoption is still low, our billing relationships are especially important in bringing people into the digital world. These billing relationships give us significant opportunities to build long-term customer loyalty.

Group Digital L!fe’s strength also comes from our network of partnerships around the world. These allow us to accelerate service adoption as we team up with specialised vendors and research institutes, and work with start-ups through our corporate venture capital arm, SingTel Innov8.
Group Digital L!fe is a key driver in the ongoing dual transformation across the SingTel Group. To create value for the Group, we are executing on two strategic priorities.

Firstly, we are focused on creating new growth avenues and revenue platforms for the Group. We have already identified growth areas such as digital advertising and big data, where our telco assets give us a competitive advantage. We will continue to explore other opportunities.

Secondly, Group Digital Life is responsible for enhancing SingTel’s core communications offerings with products and services that are not only essential to our customers’ daily lives, but also inspire and delight them.

Instead of trying to out-innovate the many entrepreneurs in the digital space, our approach is to collaborate with other telcos, specialised vendors and research institutes, and to invest in start-ups that have the potential to disrupt adjacent industries and their traditional operating models.

Group Digital Life’s activities in Singapore and Australia are also crucial in helping our regional mobile associates continue to be successful in the digital era. The average smartphone penetration rate for our associates’ markets is low at 15% as they transition from a voice-centric market to a data-centric one. Our expertise and knowledge in the digital space is a real asset to them and their customers as they drive this transition.

We understand that to innovate in the digital space, we must try many things and that there will be successes and failures along the way. While we have been making good progress, our attitude towards failure is also guided by an important principle – “fail fast and fail cheap”.

**EXPANDING OUR FOOTHOLD IN DIGITAL ADVERTISING**

The exponential growth in smartphone users and mobile data usage has changed the dynamics of marketing, with advertising expenditure shifting from traditional to digital media.

The acquisition of Amobee – our digital advertising arm – in 2012, equips us with the necessary tools to capture this new and growing revenue stream. Just two years on, revenue at Amobee has grown by four times. Amobee has also expanded to Australia, China, India, Indonesia, the Philippines, Singapore and Thailand.

Amobee recently invested in a data centre in Singapore to support its regional growth. This was made possible through the close relationship between SingTel and its partners in the common adoption of the Amobee platform. Amobee’s client list has expanded to include premier global brands such as Ford, H&M, Lexus, McDonald’s, the Wall Street Journal and many others.

Amobee is strengthening its capabilities through acquisitions, notably the purchase of Gradient X, the developer of a real-time bidding platform for mobile advertising. The platform now offers advanced real-time bidding that includes support for multiple advertising channels and formats such as video and HTML5.
A majority of mobile campaigns are focused on targeting and big data, which are important. However, the difference between a good mobile campaign and a great one is delivering an amazing interactive and creative experience.

Amobee 3D gives us a brand new creative palette to develop a more engaging ad experience and tell brand stories in ways that are different from what we can do through linear video and traditional expandable mobile-rich media ad units. It’s by far the coolest thing I’ve seen in mobile advertising in the last three years."

MR BRIAN BOS
FORD’S SENIOR VICE PRESIDENT & GROUP DIRECTOR OF EMERGING MEDIA FOR TEAM DETROIT
Business Review
Group Digital Life

BUILDING BIG DATA CAPABILITIES

Our rich database of customer information presents us with a valuable opportunity to provide customers with real-time data analytics and data visualisation solutions.

We have set up DataSpark to help businesses and governments make better informed decisions that drive strong business outcomes. The key elements to a great data analytics service are the ability to understand and predict lifestyle and behavioural patterns, and intuitive data visualisation. Together with our associates, our operations give us richness of data that cuts across different markets, while our combined customer reach provides ready scale for our data analytics solutions. We also have unique technology that allows real-time, continuous data collection, while ensuring all data provided remains anonymous and the privacy of individuals is respected at all times.

ENHANCING CORE COMMUNICATIONS OFFERINGS

To enhance the offerings from Group Consumer, Group Digital Life is developing a suite of next-generation digital products and services to create differentiation factors that inspire, delight and engage our customers.

Mobile devices have become our customers’ constant companions. We have, therefore, been aggressively growing our suite of apps and services to meet customer expectations of access to products and services that touch various aspects of their lives.

We have identified five major areas of focus for our mobile internet businesses:

Hyperlocal Content
Hyperlocal content lets people know what is going on around them with the most up-to-date information. The content we provide is enhanced by our extensive Asia experience in localising products and services that cater to our customers’ needs. We gain a clear competitive advantage over global competitors by applying this in-depth, local knowledge.

insing.com is a robust portal that connects users in Singapore to hyperlocal information. A large part of this portal is the HungryGoWhere site and app, which were also introduced in Malaysia this year. HungryGoWhere remembers customers’ preferences and makes relevant recommendations on where and what to eat. With the food obsession in these two countries, the app has gained a tremendous amount of traction.

We are also sharpening NewsLoop to deliver the most relevant news updates to our customers. Users in Australia, Indonesia, Malaysia, the Philippines, Singapore and Thailand can already access localised content.

Video
One of the highlights of the year was our partnership with Vuclip, a SingTel Innov8 investment. Vuclip is a mobile video service provider, specialising in delivering videos to feature phones, as well as low-cost smartphones on constrained data networks.

Our mio TV Go app, introduced this year, differentiates our pay TV service in Singapore by offering our customers on-the-go convenience. In addition to live streaming of shows on the move, customers can use the app to discover new content and control their set-top box.
CASE STUDY: SINGTEL INNOV8
GENERATING VALUE THROUGH SINGTEL INNOV8

SingTel Innov8 (Innov8), our corporate venture capital fund, is a key facilitator for creating win-win partnerships between its investees and members of the SingTel Group.

It helps investees access the Group’s scale and market insights and, through partnerships, it allows our regional mobile associates to tap cutting-edge technology with the opportunity to make it relevant in their respective markets. Vuclip, a US-based mobile video provider is, a prime example.

In April 2013, Airtel in India leveraged Vuclip’s technology and introduced a revolutionary portal that serves curated videos at one Rupee each. The initiative was designed to encourage mobile data usage in a market where most users have yet to experience the power of the mobile internet. In less than 12 months, the portal gained 20 million users, more than 40% of whom were first-time mobile internet users. This service single-handedly enabled more people to experience mobile data than any other campaign by a mobile carrier.

Following its success in India, Vuclip worked on a similar campaign with Telkomsel in Indonesia and introduced the Telkomsel Video 500 store in December 2013. In less than three months, it garnered over 1 million users.

Since Innov8’s investment in August 2012, Vuclip has grown from 40 million monthly active users (MAUs) to 120 million MAUs. Vuclip has also expanded its product reach into Indonesia, Malaysia, Thailand and the United Arab Emirates, making it the world’s largest independent mobile video and media company.

Choosing SingTel Innov8 as an investor has been one of my best decisions since founding Vuclip. Their value-add has provided us with the best of both worlds: a comprehensive view of the operator and media worlds because of their close collaboration with the SingTel Group, as well as a top-tier institutional investor’s view point when it comes to strategic and operational insights.

MR NICKHIL JAKATDAR
CHIEF EXECUTIVE OFFICER, VUCLIP

Gaming
During the year, we boosted our gaming presence with the introduction of the WePlay app. WePlay is an alternative social gaming platform that recommends games based on customers’ preferences. It also connects them to a gaming community where they have access to hundreds of free and paid games. All purchases can be billed directly to the customers’ SingTel bill. We plan to roll out localised versions for India, Indonesia and the Philippines in FY2015.

WePlay followed our investment in TheMobileGamer (TMG). TMG provides a device-neutral gaming experience as its games can be played on any mobile browser with no downloads or installations required.

Music
We enhanced our music streaming service AMPed™ with a fresh new look for the best entertainment experience. AMPed carries the catalogues of all major international music labels, as well as a comprehensive range of music from local and regional artistes. It offers a repository of over 5 million songs in addition to money-can’t-buy experiences such as exclusive showcases, autograph sessions and concerts by top artistes.

eCommerce
During the year, we partnered Shopify, a successful North American eCommerce company, to bring its solutions to India, Indonesia, Malaysia and Singapore. We worked with payment providers in each country to enable transactions in local currencies.