

# More innovation

# More service excellence



# Operations Review: Mobile Business

3 is a well-established operator in Hong Kong and Macau, offering lifestyle-enhancing value-added services designed to generate even greater loyalty among data centric customers.



## Operations Review

As a major mobile operator in Hong Kong and Macau, 3 is committed to equipping customers with the benefits of innovation through the latest technologies, advanced networks and lifestyle-enhancing services.

As of 31 December 2014, 3 was serving approximately 3.2 million customers in Hong Kong and Macau, of which approximately 1.6 million were using 3G or 4G Long Term Evolution ("4G LTE") postpaid network services. This represented 98% of the total postpaid customer base. Smart device users at that time amounted to more than 65% of our 3G and 4G LTE postpaid customers in Hong Kong and Macau, following a strategic focus on data centric users.

### Better at 3

The 3 brand is committed to providing convenient, caring and comprehensive customer service. A campaign beginning in December 2014 explored new initiatives to interact more effectively with customers. This involved a revamp of our retail and online presence to portray a customer-centric image and provide a one-stop service supported by dedicated 3 specialists.

3 is introducing fresh caring values through introduction of new in-store product experience zone and customer service applications that facilitate timely feedback and advice including bill inquiries assistance and data transfer service.

Soaring smartphone and tablet popularity inspired launch of the 3 workshops. This enables customers to expand their understanding of the array of devices and applications on offer by engaging with 3 specialists.

### Innovative Services and Products

Our focus on delivering value-added services has led to co-operation with various content providers, enabling customers to reap the full benefits of data connectivity. In April 2014, for example, 3 launched the DayDayCook application premium plan to help customers prepare nutritious meals.



3 new in-store product experience zone facilitates one-stop shopping.



A revamped 3Shop portrays a customer-centric image.



- 1 The "Better at 3" campaign illustrates ongoing mobile service improvements.
- 2 iPhone sales galas take place all over Hong Kong.
- 3 Caring customer service means "Love to smile. Love to help".



3 becomes Asia's first operator to launch a Finnish smartphone that runs on a breakaway operating system.

In July 2014, 3 partnered with NTT DoCoMo to release a Japanese Translator application that opens up a vast cloud-based vocabulary and sentence database to assist travellers every step of the way while in Japan.

In October 2014, 3 Super Cloud was launched as a multi-platform cloud storage service powered by Bitcasa, a leader in secured cloud storage solutions for mobile users.

3 works closely with the world's best-known device manufacturers to ensure customers get the best from the latest and hottest products.

### Full Range of Data and Roaming Packages

A significant development during the year was creation of a local data tier-pricing scheme with top-up capability to accommodate a diversity of data needs among customers. After being alerted when a maximum entitlement limit is reached, users can take control and eliminate unexpected bill shocks by topping up capacity on a discretionary basis. Yet more latitude for customer choice has been provided by introduction of a variety of SIM plan contract durations from one to 24 months.

Customers can now enjoy data roaming at blazing speeds, thanks to a new 4G LTE roaming service. 4G LTE coverage is now available in many European and Asian countries. Such coverage will continue expanding in order to enrich the roaming experience further afield.

Launch of 4G Data Prepaid SIM cards opened a new chapter in the 3 prepaid story, in terms of fixed entitlement and validity.

This meets the needs of local high-speed data users, as well as in-and-outbound travellers. Highlights include ease of use and daily packages tailored to usage habits.

Our extensive coverage now includes 546 roaming partners at 305 locations around the world. In addition, Data Roaming Daily Pass coverage was extended in 2014, providing customers with user-friendly data roaming throughout 149 locations via 199 networks.

Year 2014 saw 3 become the first operator in Hong Kong to provide one unlimited data roaming fee across European destinations per day. Called Euro Zone, this unprecedented pricing model makes one daily charge for customers visiting multiple designated European destinations on the same day. Euro Zone launch demonstrated 3's determination to enhance the customer experience and offer a competitive tariff for those travelling overseas.

3 also joined the Conexus Mobile Alliance machine-to-machine ("M2M") task force to progress integration of M2M solutions, with a view to streamlining the process for corporate customers. The aim is to bring about consistent performance, increased productivity and greater competitive advantage across key markets in Asia Pacific.



3 Super Cloud launches as a multi-platform cloud storage service.



1 Customers enjoy blazing speeds, thanks to 4G LTE roaming service.  
2 4G Data Prepaid SIM cards open a new chapter in the 3 prepaid story.



## Ongoing Network Enhancement

3 continued to enhance its 4G LTE network throughout 2014 to improve network performance and reliability of service.

Implementation of an IP Multimedia Subsystem platform enabled 3 to become one of the few telecommunications operators able to offer a high-definition voice service. This followed launch of a Voice over LTE ("VoLTE") network to facilitate a much smoother and stable voice-calling experience.

The Communications Authority ("CA") of Hong Kong has decided to adopt a hybrid option in the re-assignment of spectrum in the 1.9-2.2GHz band. In December 2014, 9.8MHz spectrum was acquired by the Group via a re-auction process. When taken together with a total of 19.8MHz spectrum obtained by exercising a right of first refusal offered by CA of Hong Kong, the Group now commands a total of 29.6MHz spectrum in the 1.9-2.2GHz band for the provision of mobile telecommunications services in Hong Kong for 15 years from 2016. Our pursuit of network excellence has resulted in higher levels of speed, reliability and customer satisfaction, as well as an increase in 4G LTE subscriptions.



Ongoing 4G LTE network improvements give network performance a boost.

In 2014, the Group expanded outdoor Wi-Fi coverage to cope with ever-rising levels of traffic on the mobile network, thereby enhancing the overall customer experience. Our outdoor Wi-Fi hotspots have now exceeded 16,000 making us the largest-scale Wi-Fi service provider in Hong Kong.

## Macau

During the year under review, growth in 3 Macau continued to be driven by inbound roaming and data services, with increasingly more customers upgrading to smartphones and data centric plans. 3 Macau also launched travel prepaid card packages offering varying levels of data, voice and roaming entitlements to suit the differing needs of travellers.

Efforts were also channelled into improving the user experience to keep up to speed with the ever-increasing demand for services. In addition, 3 Macau devoted resources to enhancing capacity and indoor network reception. This involved full deployment of a U900 network such that users are able to enjoy a more seamless network experience.

## Outlook

3 is in the process of redefining its role in the market to focus on the user experience, with the aim of generating even greater loyalty among data centric customers. This will involve a full range of improved services tailored to achieving enjoyment, convenience and satisfaction.

The Group is now well-positioned to develop Fixed-Mobile Integrated services by optimising synergies between mobile and fixed-line businesses. This will enable customers to benefit from the full potential held by a new era of data connectivity.

The overarching objective involves a combination of continuous network improvement and ongoing deployment of the latest technologies to exceed the expectations of an increasingly-sophisticated customer base. Meanwhile, accelerating uptake of 4G LTE connectivity and high data consumption have prompted us to consider deployment of Time-division LTE ("TD-LTE") over the 2.3GHz spectrum band, with a view to building a multi-mode, multi-band LTE network. This will support business growth, while providing us with competitive advantage in the telecommunications market.