

Super Bundling: The Final Frontier

From loyalty to acquisition, how Super Bundling became the new frontier for telco brands



A new space race

Houston, we have a problem.

Where once, bundles and deals provided an essential differentiator for telcos, today, they're no longer enough to cut through.



As spending is squeezed, consumers expect more than just the usual free minutes, texts, and monthly subscription deals.

If telcos are to secure their market share, improve acquisition, or drive customer loyalty, they need to shoot for the moon. That means competing to see who can develop the custom offer with the most enticing perks.

The telcos industry has entered a space race. For every new subscription offered, there's a competitor launching an even broader range of offers, subscription services and deals. Small steps are no longer enough, it's time for a giant leap into something entirely new. Enter Super Bundling.

From Verizon +play to Optus' SubHub, Super Bundling is bringing together deals for dozens of subscription services, all in one place and on one monthly bill. The hope? To create a one-stop media destination that keeps customers hooked... for good.

Today, Super Bundling is the final frontier for telcos. But how exactly are these businesses planning to build such complex offerings, where are they in their journeys, and who is best placed to win this space race for good?

In this report, Bango surveyed over 100 telco leaders and decision makers to find out.

Methodology

This report was commissioned by Bango and incorporates data from 115 telco leaders — senior strategic decision makers and budget holders within telco brands. These decision makers include owners, C-suite executives and senior managers within mobile, wireless, fixed-line and cable companies in the USA and UK. They include those responsible for corporate strategy, growth, R&D, marketing, sales, innovation, partnerships, and technology.



In this report you'll discover...



How telco leaders are unlocking new revenue streams, while driving customer loyalty, acquisition and reducing churn through Super Bundling.



Which individual subscriptions and deals are proving most effective for driving revenue, customer acquisition and loyalty.



How telco leaders are building and promoting their Super Bundling content hubs, the investment levels being made, and the most common challenges faced.



Which telco brands are leading the race with Super Bundling, including real-world examples from Bango partners including Optus and Verizon.

1

Growth plus retention: The final frontier

In 2023, the priorities for telco leaders are clear. Increase their revenue, grow their user base, and retain the customers they already have. Growth plus retention — it's easier said than done.

With inflation hitting historic highs, many consumers are looking to switch providers, creating a volatile environment for telco brands. At the same time, the telco industry is heading towards a state of competitive equilibrium, in which the majority of providers offer the same rewards, deals, and services.

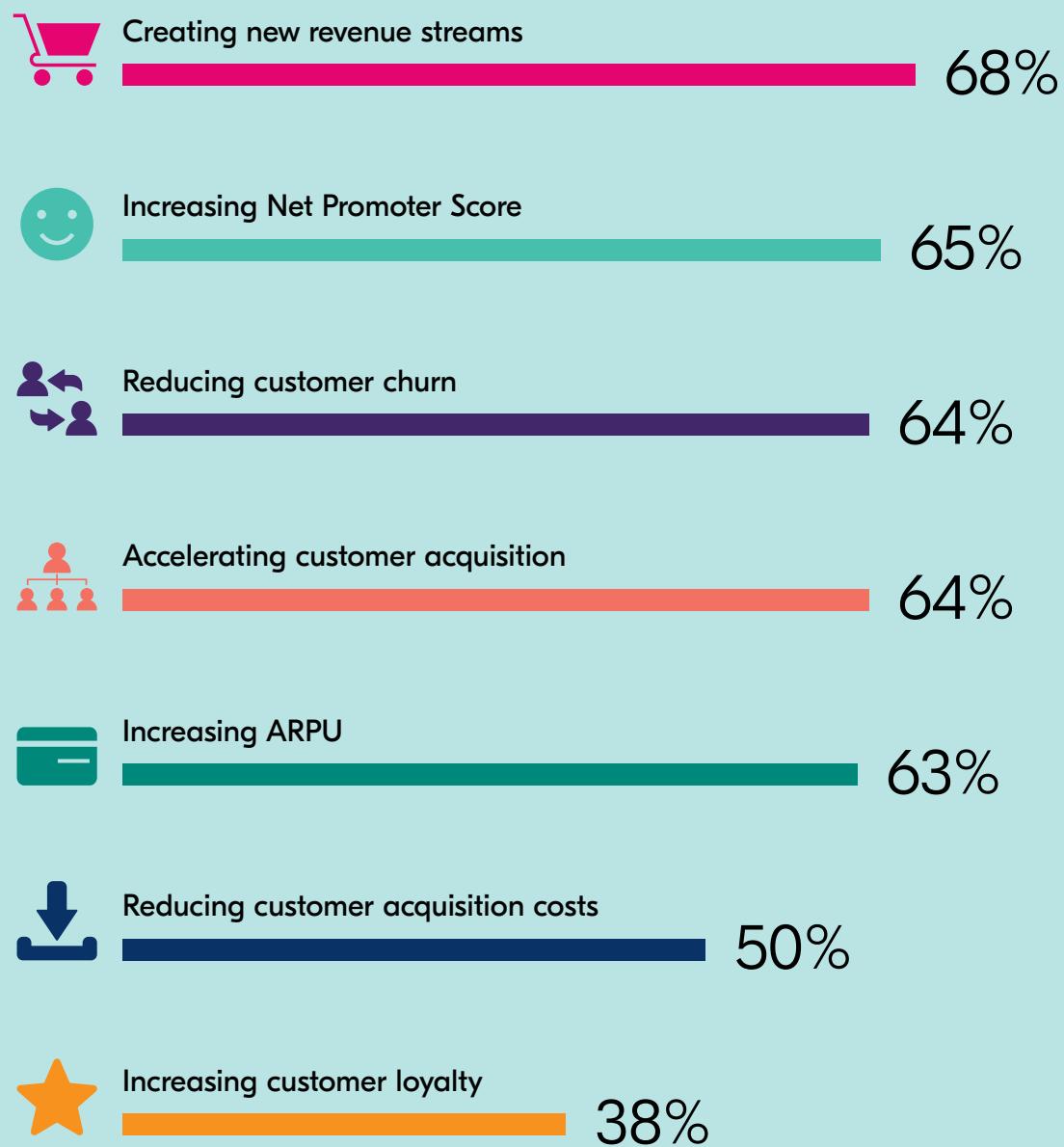
In this environment, innovative ways of rewarding and engaging customers are essential.

Despite this, more than two thirds of those surveyed say their organizations are struggling to maintain engagement with their customers. If telcos are going to achieve their ambitions of unlocking new revenue streams, increasing NPS and reducing customer churn, innovative new ways to engage customers will be key.



68% of telco leaders struggle to maintain engagement with customers

Telco leaders' priorities (Marked high priority)



2

Bundling: From first, to second gen

When it comes to boosting acquisition and retention, bundling has been the preferred weapon of choice.

Traditionally this took the form of combined first-party products such as free minutes or calls ('first-gen' bundling), but as the market has grown more sophisticated, the majority have switched to offering customers access to their favorite subscriptions.

With the recent boom in streaming services, this has proved a popular tactic. An overwhelming 94% of telco leaders have offered streaming sports content as part of a bundle, while 92% have offered streaming video on demand (SVOD).

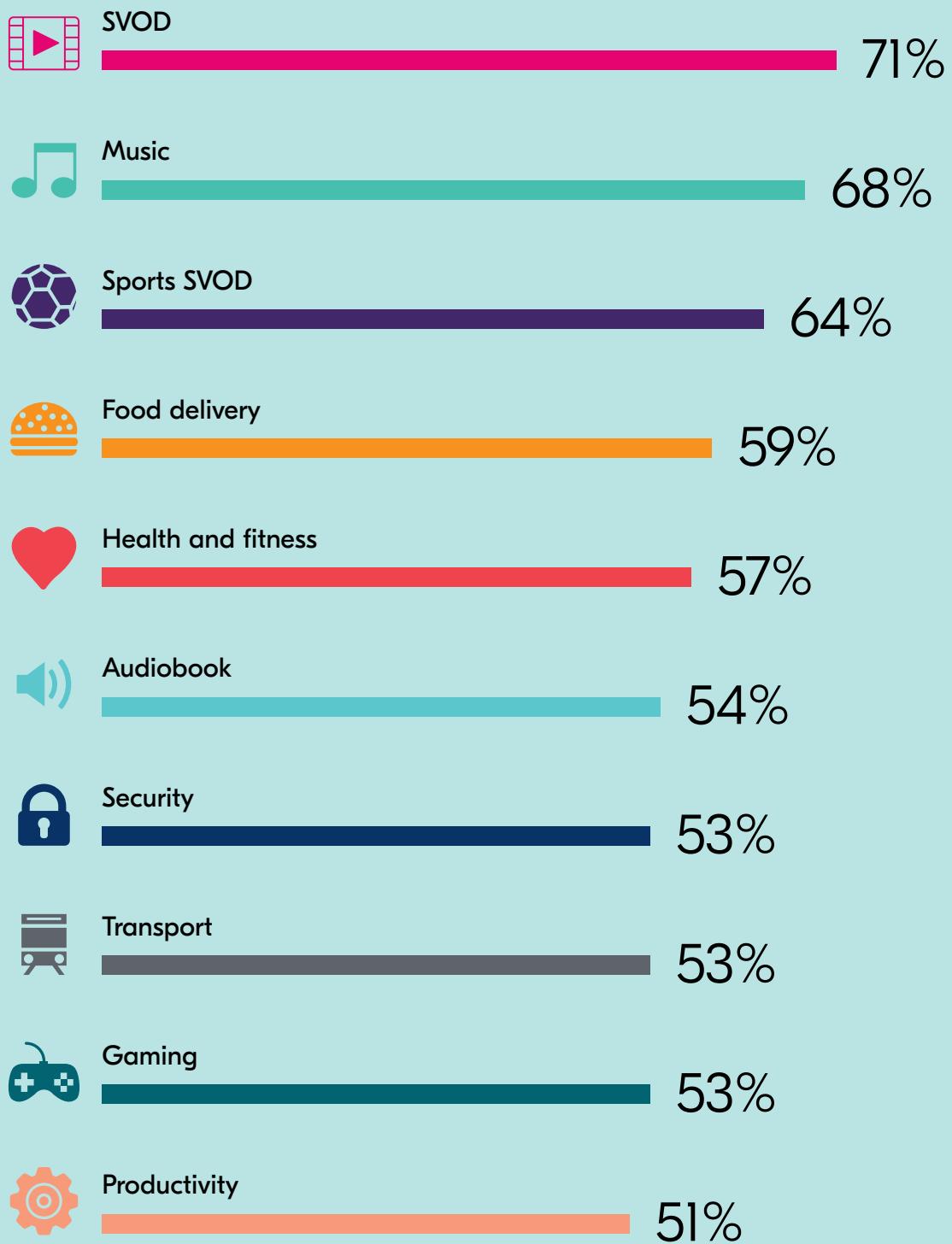
Of these, just over half (54%) provide customers with a selection of 2-3 deals to choose from, allowing them to build the right bundle for them ('second-gen' bundling).

Due to the complexity of partnerships and integrations involved, these second-gen bundles were typically difficult to scale — however, telco leaders have seen impressive results in terms of both customer retention and acquisition.



92% of telco leaders have offered streaming video services as part of their bundles and deals

Which subscriptions have had the biggest positive impact on customer acquisition and retention?



3

Super Bundling: The next generation

Clearly first and second generation bundling is adding value, but with so many telco companies now offering the same or very similar deals, it's no longer enough to secure competitive advantage. That's where Super Bundling comes in.

Unlike traditional bundles, Super Bundling provides customers with access to a huge range of subscription services, managed through a single content hub, and charged as one monthly bill.

These Super Bundling content hubs are in high demand, with 79% of US consumers saying they would be 'more loyal' to a telco that provides an all-in-one subscription service. More than half (58%) go as far as to say they would leave their current TV, mobile or broadband provider if this service was offered elsewhere.

Recognizing this demand, telco giants have been quick to act, with 88% of our leaders either already offering a Super Bundling content hub or planning to launch one. Once live, telcos will continue to add to and build on these content hubs with new subscriptions and deals for years to come.

But offering a Super Bundling content hub is no easy feat. It requires telcos to add dozens of new subscriptions and partnerships, amplifying the challenges and complexities of second-gen bundles.

Still, the rewards are worth it. 82% of our telco leaders say Super Bundling will be key to improving their customer retention and acquisition, and 88% believing Super Bundling will provide a 'vital' source of future revenue.



88%

of telco leaders
plan to offer a
content hub



88%

of telco leaders believe
Super Bundling will
be a 'vital' source of
future revenue



79%

of consumers would be
'more loyal' to a telco that
provides an all-in-one
service for subscriptions

Why are telco leaders Super Bundling?

75%



58%



54%



48%



35%



35%



To increase
customer
acquisition

To increase
customer
loyalty

To unlock
new revenue
streams

To increase
ARPU

To increase
NPS

To reduce
customer
acquisition costs

4

Leading the race

While the race for Super Bundling has only just got started, some of the biggest players in the market are already sprinting ahead.

In the USA, Verizon has been making waves with its +play platform which brings together Netflix, Disney+, Max, Paramount+ and more. Similarly, in Australia, Optus has launched SubHub, providing flexible access to dozens of streaming services and subscriptions.

These platforms go way beyond just video, offering a huge variety of apps spanning music, healthcare, fitness, productivity and more. As ever more telcos launch their own content hubs, this breadth and curation of services offered will form a key point of competitive advantage.

Through these platforms, Verizon and Optus are driving a fundamental shift in the role of telcos. In fact, 82% of telco leaders surveyed said that they want to become 'more than just a telecommunications company', while 84% believe customers should increasingly see them as content-providers first and network providers second.

Which subscriptions are currently part of telco content hubs?



verizon[✓] +play

Verizon +play is America's first all in one subscriptions hub, built on Bango technology.



OPTUS SubHub

In Australia, **Optus** is cornering the market with its highly flexible SubHub platform, built on Bango technology.

Optus SubHub

Bundle & save up to 10% off select subscriptions

T&C's and eligibility criteria apply

Browse Optus SubHub

OPTUS SPORT, Netflix, prime, britbox, iWonder DOCUMENTARIES, iQIYI, Kindle UNLIMITED, inkl, Calm, BritBox, Trending on Prime Video, Unmissable British telly on BritBox

5

How to launch Super Bundling...

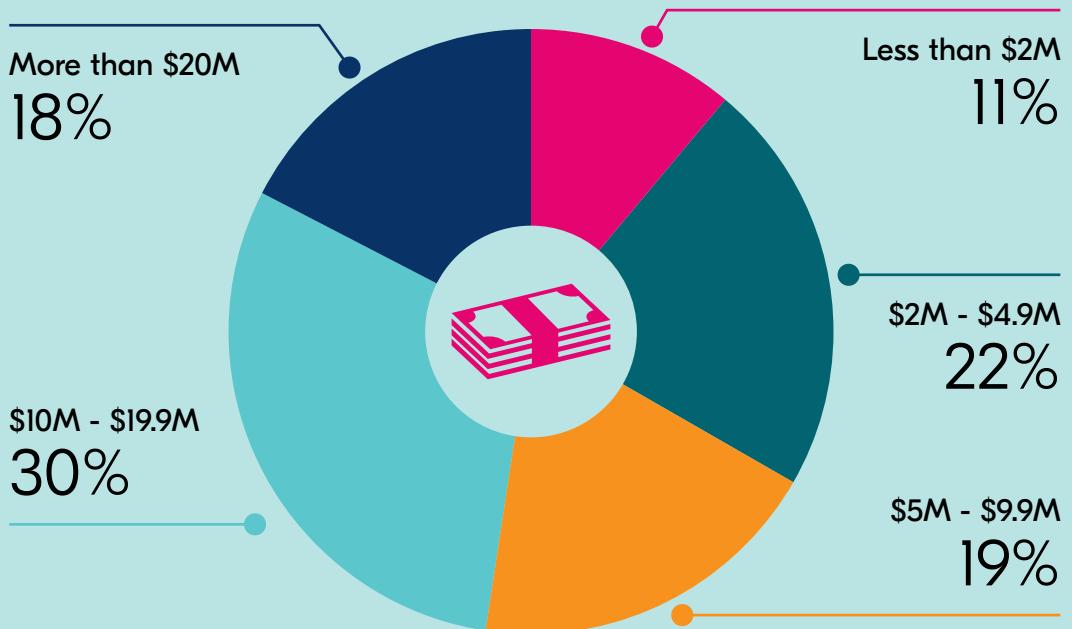
Telco leaders are optimistic about their ability to deliver a reliable Super Bundling offering, with many citing their expansive network infrastructure, 5G capabilities and existing billing relationships as key to their efforts.

But manually building a Super Bundling content hub is complex and time consuming, with in-house teams having to manage multiple 1:2:1 connections and contracts across dozens of different subscription services and brands. Currently the average telco leader is expecting to invest between \$10M and \$20M on developing their Super Bundling content hub. 14% believe it could cost even more than that.

One of the biggest struggles is in establishing relationships with the necessary content providers. This was already a challenge during second generation bundling, with telcos often spending years bringing together two or three subscription partners. Now, with Super Bundling, those same telcos must manage dozens or even hundreds of these relationships. So how are they doing it?

In the case of Verizon and Optus, rather than attempting to build from the ground up, both +play and SubHub plug into Bango's 'Digital Vending Machine' to unlock partnerships and offer subscription content.

Estimated technical investment in Super Bundling



Why do telco leaders feel well placed to launch a Super Bundling content hub?



Strong existing network infrastructure

66%



Complements our 5G capabilities

62%



Size of our existing user base

59%



High level of customer trust

59%



Existing billing relationships with customers

47%

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Consumers: Driving the demand

Super Bundling is offering major advantages for telco leaders, but it's not just about businesses — consumers are crying out for this tech.

In Bango's recent survey of 2,500 US subscription users, 52% said that they are frustrated that they can't manage all of their subscriptions in one place. As a result, 78% want one single platform to manage all of their subscriptions, highlighting the market for Super Bundling.

Given this demand, telco leaders are putting convenience at the heart of their consumer propositions for Super Bundling, promoting the ease of having all subscriptions in one place and on one bill.

But there are other, subtler benefits that telcos are playing up to. More than half (54%) are promoting Super Bundling from a security perspective, championing the safety benefits of managing everything through one trusted partner rather than multiple third-party apps and sites.

Of course, there is also the cost benefits traditionally associated with bundling deals as well. And yet, less than a third of telcos are running with this as their key consumer proposition.

What consumer benefits are telcos championing for Super Bundling?



- 1 Convenience of having all subscriptions in one place, on one bill (87%)
- 2 Security of sharing identity and payment details with only one provider (54%)
- 3 Giving the consumers control to switch subscriptions on and off at will (46%)
- 4 Cost savings / discounts from bundle packaging (29%)
- 5 Discovery of new subscription services (17%)

Bango Resale: The Digital Vending Machine

As Super Bundling becomes the new battleground for revenue, acquisition, and customer retention, telcos need to move fast. Not only must they rapidly build and launch their Super Bundling offerings, they also need to keep those offerings up to date with the freshest deals and subscription services.

That's where Bango Resale comes in.

We have pre-built integrations for hundreds of subscription products, apps, and streaming services. We provide all the core requirements via standardized technology enabling telcos to deliver Super Bundling in months rather than years.

Thanks to our SaaS product model, telcos connect once to Bango Resale and instantly gain access to a constantly evolving and growing ecosystem of global subscription and content providers in a single one-to-many integration, instead of via time consuming one-to-one arrangements.

Enabling this super-fast time to market means that telcos can focus on the things that matter most to them: customer acquisition, retention and engagement.

Developing subscription hubs with Verizon and Optus, we've helped create deals spanning Netflix, ESPN, Amazon Prime, Duolingo, YouTube, Peloton, Audible and more.

From the data it's clear that telco leaders are excited by this new evolution in bundling and its potential to drive revenue and growth. Consumers are crying out for this service and the implications for customer loyalty are clear.

However, without the right partners in place, Super Bundling becomes a costly and cumbersome undertaking. By working with experts in the field, telcos can free themselves up to focus on what matters most: delivering the best possible experience for customers.

Want to find out more about Bango Resale, our Digital Vending Machine?



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