

FROST & SULLIVAN



# 2022 COMPANY OF THE YEAR

*CAMBODIA  
MOBILE DATA INDUSTRY*

## Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Smart Axiata excels in many of the criteria in the mobile data space.

AWARD CRITERIA	
<i>Visionary Innovation &amp; Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

### *Addressing Unmet Needs and Customer Ownership Experience*

Cambodia’s mobile data services market witnessed double-digit growth in the internet penetration rate with a compound growth annual rate (CAGR) of 24.6% from 2015 to 2021. Over the next few years, the country’s mobile data services market is forecast to be driven by increasingly faster connection speeds as mobile network operators (MNOs) expand their 4G networks and invest in next generation 5G networks.

Despite the rapid development of next-gen technology infrastructure and high mobile penetration rates, some areas of the country experience relatively low mobile usage. Addressing increased consumer demands for personalized mobile data services and ensuring their investments in network rollouts generate optimum investment returns are among the top industry challenges. Service providers need to develop attractive product offerings and excellent customer service experiences to acquire new customers while maintaining their existing customer base.

Established in 2013 and headquartered in Phnom Penh, Cambodia, Smart Axiata is one of the country’s largest mobile service providers. In 2014, the company became the first operator to launch a 4G long-term evolution service for customers across Cambodia. Fast forward to 2021, Smart Axiata’s 4G service is available nationwide in Cambodia and covers 95.7% of the population. In just a short period, Smart Axiata has single-handedly helped Cambodia leapfrog into the future and is committed to being a pioneer and long-term investor in the country’s telecommunications sector. The company maintains a steady investment pace to keep its network functioning at high levels and align with the increased demands for

mobile data. For example, Smart Axiata invested more than \$90 million in its wireless network in 2021, enhancing its 4G network and ensuring its network infrastructure is 5G-ready.

In terms of 5G development, the Cambodian government is working on establishing a 5G roadmap. Mobile operators are currently awaiting regulatory clearance and access to the spectrum of radio waves needed to roll out their networks. When the Cambodian government releases the full roadmap for 5G and presents a clear regulatory framework, companies such as Smart Axiata will be at the forefront of delivering cutting-edge 5G services to consumers and enterprises. The company showcased a range of 5G use cases in partnership with network infrastructure vendors to demonstrate the positive impacts of 5G in supporting the data and digital transformation needs of consumers and enterprises in 2019. As a result, Smart Axiata sets a new benchmark in Cambodia's telecommunications industry as the first MNO to host a live 5G network trial in the country. The 5G trial offered glimpses of new experiences such as outdoor augmented and virtual reality, ultra-high-definition live broadcasts, and drone-based monitoring systems.

*“Through continuous network investments, Smart Axiata committed over \$90 million to upgrade network infrastructure and improve its next-gen wireless technologies in 2021. The investment known as the 2021 Network Infrastructure Improvement Program aims to boost data connectivity and access to the internet across Cambodia through 4G network enhancement, meeting market demand for mobile data and supporting the first phase of the 5G rollout.”*

*– Dewi Rengganis,  
Industry Analyst*

With this initiative, Smart Axiata is revolutionizing the country's mobile data service industry while creating use cases that are the most relevant to customers to enhance its product and service offerings.

Sub-optimal speed is a significant challenge for the Cambodian mobile industry, where the average download speeds for mobile connections are not among the highest in the region. Providers such as Smart Axiata stand out in their ability to support high-speed wireless connectivity. According to OpenSignal, a global mobile analytics company that analyzes consumer mobile experience and

measures and reports Cambodia's Internet speeds annually, Smart Axiata delivers the fastest upload and download speeds in the country, with speeds of up to 5.8 megabits per second (Mbps) and 11.5 Mbps respectively.<sup>1</sup> In contrast, its closest competitor only hits a speed score of 5.3Mbps (upload) and 9.9 Mbps (download). Smart Axiata has made the fastest available speeds a daily reality for customers in Cambodia.

Smart Axiata focuses on improving customer experience at every touchpoint along the customer journey, including customer onboarding, customer care and support, and relationship management. The company's SmartNas™ in-house mobile app handles the onboarding process for new mobile data customers, eliminating much of their hassle and frustration. Apart from onboarding, the application offers customers useful insights into their data spending and allows them to top up their credit balance, modify data package plans, and subscribe or unsubscribe from any service.

### **Implementation of Best Practices and Leadership Focus**

The company's best practice implementation excellence is underpinned by its strong cultural beliefs, value systems, and seamless executive vision alignment. The company has a first-mover advantage in the

<sup>1</sup> Open Signal, <https://www.opensignal.com/reports/2021/08/cambodia/mobile-network-experience>

market by garnering a reputation for helping customers gain better mobile service experiences. Currently, Smart Axiata has the largest network availability in the country, consisting of a 2G network covering 99.6% area, a 3G network covering 63.5% area, and a 4G network covering 95.7%. In contrast, its competitor only covers 80.1% of the 4G network across Cambodia. Another clear testament to Smart Axiata's best practice implementation excellence is its ever-increasing customer base. Smart Axiata has more than 7. million subscribers, which translates into 44% of Cambodia's population, illustrating the trust and confidence Cambodians place in Smart Axiata by end of 2021.

While the company excels at implementing best practices, its tenacity to constantly improve existing best practices provides it with a competitive edge in the market. It is also largely why Smart Axiata is able to deliver exceptional services as the fastest mobile internet provider in Cambodia. It has also built a reputation for providing flexible service options that cater to customers' unique needs. This is made possible by its wide range of mobile data plans, including unlimited data plans and specific data plans that

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Industry Analyst**

offer unlimited access to social media sites (e.g., YouTube, Facebook, TikTok). In contrast, most competitor data plans are unlimited plans, forcing users to pay for unused services. Smart Axiata offers convenient data plans based on customers' requirements and allows them to modify their subscription plans according to their needs.

Through continuous network investments, Smart Axiata committed over \$90 million to upgrade its network infrastructure and improve next-gen wireless technologies in 2021. The investment known as the 2021 Network Infrastructure Improvement Program aims to boost data connectivity and access to the internet across Cambodia through 4G network enhancement, meeting market demand for mobile data and supporting the first phase of the 5G rollout. To address the residential segment and expand its customer base across small enterprises in rural and urban areas, Smart Axiata offers fiber-to-the-home services, leveraging 4G fixed wireless access. The services named Smart@Home support the increasing bandwidth speed required to meet the home entertainment needs of customers.

The company has expanded and launched several attractive digital service products, including SmartPay, and Smart Life Insurance. SmartPay enables customers to pay for gaming app subscriptions using Smart Axiata credit balance. It is also in partnership with BIMA, a regional micro-insurance provider, to launch Smart Life Insurance, allowing customers to pay premiums as low as 12 cents per day. Smart Axiata is helping fuel greater digital adoption in Cambodia by providing these services. Frost & Sullivan believes that Smart Axiata's strategy to occupy Cambodia's digital services market space grants it a first-mover advantage in digital telecommunications to attract the digital-savvy generation.

### ***Customer Service Experience and Financial Performance***

To deliver a great customer service experience, Smart Axiata is committed to providing continuous support to its customers and the country, such as a 24/7 customer care support channel. The aim is to

enable customers to conveniently access customer support by providing round-the-clock direct communications with Smart Axiata care teams.

It has expanded its support portfolio by introducing additional customer service experience channels, including SmartNas™ and retail stores, to cater to the growing demand for personalized interactions. With the rise in customers who prefer online engagement over other channels, SmartNas™ has proven to be an integral part of its service offering since its introduction in 2017. Smart Axiata strengthens its service experience by providing customers with best-in-class mobile data services and continuously improving the online experience.

Smart Axiata, a key industry participant in the Cambodian mobile data services industry, distinguishes itself by delivering the fastest internet speeds in the market. The rapid take-up of streaming platforms such as YouTube and Netflix has increased demand for data and bandwidth, with the average data consumption surging to 15.9 gigabytes per month in 2021.<sup>2</sup> Mobile data speeds remain impressively consistent with Smart Axiata delivering reliable carrier-grade network infrastructure. Smart Axiata has registered a tremendous increase in mobile data customers, recording double-digit growth of 12% year-over-year (YoY). Smart Axiata had a successful 2021 in Cambodia's mobile data industry, witnessing revenue growth of 7.0% YoY. Meanwhile, its EBITDA increased by 4.5% YoY, while profit after tax rose 3% YoY at the end of 2021. The main driver for Smart Axiata's financial performance growth includes higher data consumption on the back of increased data subscribers and usage.

## Conclusion

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Smart Axiata displays its visionary leadership by consistently providing better quality services to its customers. The company's continued investments in networks and products that enhance customer experiences and aggressively prepare for the country's first 5G rollout reinforce its role as a pioneer in the Cambodian mobile data industry. Smart Axiata's comprehensive service offerings and innovation strengthen its position as the best mobile data provider in the market with the fastest internet speeds in Cambodia.

With its strong overall performance, Smart Axiata earns Frost & Sullivan's 2022 Cambodia Company of the Year Award in the mobile data industry.

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<sup>2</sup> Open Signal, <https://www.opensignal.com/reports/2021/08/cambodia/mobile-network-experience>

## What You Need to Know about the Company of the Year Recognition

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Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

### Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

#### *Visionary Innovation & Performance*

**Addressing Unmet Needs:** Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

**Visionary Scenarios Through Mega Trends:**

Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

**Leadership Focus:** Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

**Best Practices Implementation:** Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

**Financial Performance:** Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

#### *Customer Impact*

**Price/Performance Value:** Products or services provide the best value for the price compared to similar market offerings

**Customer Purchase Experience:** Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

**Customer Ownership Experience:** Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

**Customer Service Experience:** Customer service is accessible, fast, stress-free, and high quality

**Brand Equity:** Customers perceive the brand positively and exhibit high brand loyalty

## About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

## The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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### Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



## The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

### Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

