Banking on success with Telenor Serbia

Telenor Serbia came into being on July 31, 2006 following the purchase of Mobi 063 by Norway’s Telenor Group for €1.513 billion. With 3.2 million current subscribers, Telenor Serbia leads the big three local carriers in terms of market share, serving nearly half the nation’s population of 7.16 million.
WinWin: Although you’re clearly an operator, you entered the banking space last year. Can you tell us more about that?

Ingeborg Øfsthus: Well, we’re very proud of this. Telenor Banka is the fastest growing bank in the CEE region, with more than 100,000 customers opening current accounts with us in just one year. In Serbia – and in the region – that’s an amazing number.

WinWin: How have you positioned Telenor Banka?

Øfsthus: Well, we’re an online bank that enables people to complete daily transactions. Usually people think about queues and paperwork, but we wanted to think totally differently; we wanted to revolutionize that. Now, we really are a mobile-first bank that gives time back to people. Our customers can bank on the go on their mobiles, which has proven to be tremendously popular so far. We don’t run any branches, so if there’s a need for a signature or something similar, people can have the paperwork sent to their home or visit one of our telco outlets.

WinWin: Are the services you offer like a traditional bank’s?

Øfsthus: We’re actually a full-fledged consumer bank. We’ve evolved in steps, and we’re already handling transactions. Our A-vista savings product, for example, is a great offering that lets any customer pay in to their savings account at any time, and freely transfer money between their savings and current accounts. This sort of flexibility means our customers have their money available at all times.

We’ve also introduced the first online credit line in Serbia, which is unique in the market. Since we focus on customer experience, we’ve made getting credit simple, and that’s how we add value for our customers.

However, we’re not planning to offer mortgages or big loans.

Easy does it

WinWin: What’s Telenor Serbia doing differently from other operators in the banking space?

Øfsthus: Like any other bank, we have a full product portfolio that includes a debit current account, savings account, and credit line.

If we look at the Asian market, the majority of people are under-banked in that they don’t have an account. In Europe the retail banking market is saturated in many countries. For example, with a population of just over 7 million, 29 banks cover the corporate and retail segment in Serbia. As a new entrant, we meet a need for online and mobile banking...

What we want to do is make banking about simplicity and the customer journey – we offer one click less for everything.

— Ingeborg Øfsthus, CTO, Telenor Serbia
services that was previously under-served. In Serbia, Internet penetration exceeds 60 percent, and more than 50 percent of the population uses Facebook. However, only 6 percent of Serbs use online banking.

What we want to do is make banking about simplicity and the customer journey - we offer one-click less for everything. We're very proud of the fact that online and mobile banking are increasingly used by customers in Serbia, and that they're choosing us as a reliable partner for everyday banking.

**WinWin: Have you leaned on Telenor's experience in other markets or consulted your colleagues in other countries?**

**Øfsthus:** We most certainly have. Telenor Pakistan has been very active in this space, and the Telenor Group offers financial services in Pakistan with Easypaisa for money transfers. Telenor Group has a presence with different models of financial services in all the markets it operates in.

**Mobile ambitions**

**WinWin: Okay, so let's talk about mobile. What does the Serbian mobile market look like at the moment?**

**Øfsthus:** There are three major operators active in Serbia, so competition is pretty fierce. I'm happy to say that we've got the highest market share in terms of revenue. At the moment, we're focusing on constantly improving network quality to keep us in the top spot.

We're currently rolling out a large-scale and ambitious project that aims to cover the whole of Serbia with 3G Internet by the end of Q1 2016. In about five months, we'll have covered 99 percent of the population and equalized data and voice coverage. This will differentiate us as the sole operator to have this capability.

In parallel with that, we're working on optimizing our network by joining forces with customers. Based on their feedback, we're identifying places for improving it. The novelty is that our engineers are the ones who are talking to customers, giving us valuable first-hand feedback and really putting the customer at the heart of everything we do.

**WinWin: Is it still early days for 4G in Serbia?**

**Øfsthus:** Yes, I think that's fair to say. Basically all three operators launched 4G at the start of Q2 2015, which is relatively late. However, this means we can draw from global experience and also from Telenor group.

Even so, it's happening now and it's happening fast. We have customers who are very tech savvy, and they're fully on board with the opportunities mobile data offers.

During 2015 we covered the biggest cities in Serbia, and with the new spectrum we've acquired, we can continue to expand 4G extensively. We're probably one or two years behind Western Europe, but the development pattern is the same.

**WinWin: What market are you aiming at with the Internet for All campaign?**

**Øfsthus:** It's suitable for any market Telenor is in, and definitely for Serbia. It's about giving connectivity to everyone so they become part of the global community. There are many opportunities that being connected opens up: getting information, creating jobs, and so on. We can also see the link between mobile data usage and how well society is doing.

So what I would say is that we want to reach out to all our customers and help them to use this connectivity to make life better. That's a good reason to go to work every morning.