

Mobile Communications

UK reseller launches own GSM phones for ethnic market

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Primus Telecommunications, a UK-based fixed and mobile service provider that targets ethnic communities, plans to have as many as eight own-branded GSM phones on the market by the end of the year.

The company, which has already released two Primus-branded GSM phones that it sells over the internet and at airports, says a further six, including a camera phone, are due to be launched by November.

It claims to be the first reseller ever to produce its own GSM handsets, describing itself now as a “virtual handset manufacturer” in addition to a service provider.

Primus started life as a fixed-line operator with much of its own infrastructure. It branched out into the mobile market towards the end of last year, convinced that call origination was, as managing director Andrew Reid puts it, “growing in mobile’s favour”.

“I realised Primus, like all other fixed-line operators, would see their potential base of customers diminish over time,” he says. The move into mobile was “all about getting more traffic on our network”.

The company’s GSM phones are produced by a number of large Asian manufacturers that also make handsets for the likes of Nokia and Motorola. All its phones carry the Primus logo, and most feature a “P” button that routes outbound international calls directly onto the company’s network.

Primus leverages its TDM/IP fixed-line network, which includes significant amounts of undersea cables and switches, to offer international calls for up to 80 per cent less than the UK’s traditional mobile operators, Vodafone, Orange, T-Mobile and O2.

Currently, its GSM phones come supplied with Vodafone SIM cards, but Primus says it would like to strike at least one UK MVNO deal. “Trouble is, these guys [mobile operators] are so slow,” says Reid. The company appears frustrated at not having an MVNO agreement in place, which prevents it from supplying customers with its own SIMs and devising more innovative tariffs.

Virtual handset vendor

Primus seems to believe that its efforts to break into the mobile market have been hampered by mobile operators intent on controlling the software that goes

into phones. This is in fact what led the company to start developing its own handsets in the first place.

“We were sort of forced into it,” says Reid. He explains that neither the large handset vendors nor chip manufacturers, under pressure from mobile operators, have been willing to incorporate the technology (such as IP functionality and global-roaming gateway SIMs) needed by Primus to offer its steep discounts.

“So we decided to put the software into our own phones,” says Reid, and in so doing establish some control over the handset environment.

“Notably, the handset market is dominated by five ‘name-brand’ manufacturers,” the company says. “It is an often overlooked fact that 27 per cent of the global market is owned by the ‘others’, leaving ample room for an integrated product/service provider such as Primus.”

Define yourself

Primus’s GSM phones fall into two basic categories – those that link the handset directly with the relevant mobile-access numbers in the home country and those that have an “SMS callback” facility to reach access numbers in another country.

The latter type of phone is marketed to foreign workers mainly in unregulated emerging markets (places like Africa and the Middle East), where it is more difficult to link to local access numbers.

Primus’s key marketing slogan is “Define Yourself”, part of an attempt to appeal to consumers likely to be willing to move away from the more established mobile-operator brands.

“This is not meant to be an anti-establishment strategy such as that employed by Virgin Mobile,” the company explains, “but about freedom of choice for those that are willing to go there.”

Primus, which is present in Spain, the Netherlands, Belgium, Italy, Denmark and Switzerland as well as the UK, claims the slogan has worked in attracting a large number of people from ethnic communities to its service.

Primus’s UK fixed-line business also appears to be successful: the company says it sells in excess of a million international calling cards each month in the country.

Its mobile business is relatively small, but Reid says the company expects to sell as many as 10,000 of its GSM handsets worldwide this month, although not all would necessarily be used to access Primus’s service.

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