Structuring a Wireless Internet Business (WISP)
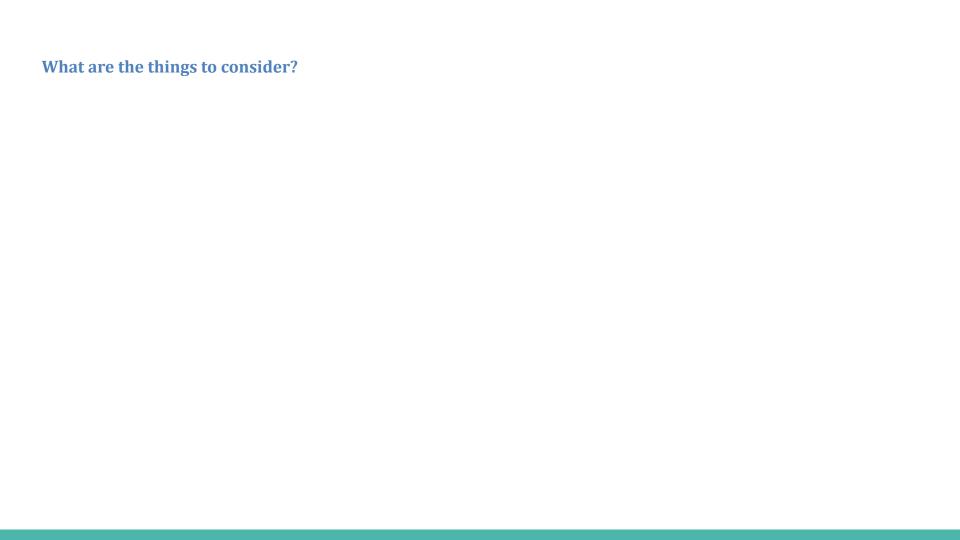
Kenya National School of CNs

Target Market

Like any other business, starting an Internet Service Provider business requires that you study your target market. The key things to identify are your customers' financial abilities, their spending habits and the budget at their disposal.

The target area should have the right characteristics to help you to achieve your goal. The goal is usually to attract as many customers as possible and retain them. The idea of retention of customers is to ensure availability of reliable returning customers.

Internet business requires the right tools and services. Take time to draw your ideas and visualizations on a paper because this will help you to move forward with clarity [direction].

What are the things to consider?

Location of towers

Study the area keenly and identify potential locations that have a good vantage point. This could be the highest point in your area-but this also heavily depends on the topology of the region. A vantage point would be for example:

1. A clear line of sight
2. Proximity to your potential customers
3. etc

Population

Internet businesses have a better chance of success when set up in areas that have dense populations. This reduces the amount of infrastructure and reduces capital expenses in terms of leased space and masts. Also, in these densely populated areas, chances of onboarding many customers in a short time are high.

Community Networks might find this difficult to do because they try to fill the gap that is left by commercial telcos but even so, Community Networks should be innovative enough to ensure a blend of revenue streams. These could be incorporating services that can attract other actors in the community to partner with them.

For example:

1. Collecting air quality data through sensors and then selling this data to institutions that need it.

Topography

Topography is the arrangement of natural and artificial physical features in an area. The topology will have an effect on the overall design of your network.

More hills, tall trees, tall buildings, etc will require that you install more towers [infrastructure] to be able to have a clear line of sight [which is key in delivering services to clients effectively].

Availability of wholesale service carriers

The pricing of the wholesale carriers will affect how you price your packages, my recommendation is that you go for the most affordable and reliable so that you can be competitive in your market.

Competition

Competition is usually about research and innovativeness to stay relevant in your business. The recommendation is that you take a good amount of time to research your competitors.

Identify the main competitors in your market and map how you are going [intend] to compete with them. Competition is a question of strategy and strategy revolves around understanding your competitors' competitive advantage.

Study keenly how your competitors are engaging with their customers and be innovative to march their service or go beyond the competition.

Any weakness in your competitors' business becomes an opportunity. This is usually viewed as unethical but it is the reality of businesses.

Competition

Usually, customers are always likely to be considering other more affordable and reliable options that are available to them. In this case, keep the word going about your services because customers buy stories before they engage in real business.

After the market survey, now you will need to put your paperwork in order if you are just starting up. If you already have a foot in the market, you are required to follow set regulations with the legal framework.

Licensing by local authorities (+ the Regulator)

There are two types of licenses for entry level wireless internet services providers (WISP)

- Application service Provider (ASP)
- Network Facilities provider (NFP)

Documents required for CAK license

1. A duly filled applications service provider form.
2. Certificate of incorporation or business registration for sole proprietorship.
3. List of shareholders and directors.
4. Tax compliance certificate.
5. CR12
6. Identity cards of all directors if Kenyans.
7. Passports for foreign directors.

Seeking relevant registration for CNs

There is now a framework for registering and licensing Community Networks in Kenya. The recommendation is that all Community Networks make an effort to seek legal registration and understand the regulatory requirements for them to be able to sell services.

Strategy and implementation plan

At the core, the internet service should meet the following criteria:

- **Benefit to customers**: The internet service that you provide must materially benefit the customer in some way e.g. offering an improvement on current service, or an additional revenue stream for the client.
- **Cost-benefit ratio**: The benefits realized must be at least as great as the cost of implementation, production, and maintenance of the product.
- **Good maintainability**: Build the capacity of your internal personnel so that it is able to repair or maintain the hardware or products. This cuts down the cost your business would incur if you were to hire an external contractor/expertise.
- **Support:** Develop good and reliable customer service. Keep your customers informed. resolve customer pains in the shortest time possible.

Competition and buying patterns

How do customers buy your service? Customers will highly likely weigh up the following options:

- Price: Is it affordable? Does the price march the quality of the internet service provided?

- Experience: Is the internet and distribution channels easy to use? Do you offer after sale services to your customers?

- Reputation: Which information do your customers have about your internet service?

- Service: Is the internet reliable? Is the internet steady at all times?

- Accessibility: How do your customers access the internet? What are the costs of accessibility? Who covers the upfront connection/installation cost?

Competition and implementation plan

All the above are valid questions from the perspective of the buyer. The idea is to take the side of the customer and ask yourself if you would pay x cost for y value.

Remember, economics teaches us that **decisions are made at the margin. This means marginal benefits must be equal or greater than marginal costs.**

Without knowing, customers will decide whether or not to buy your internet based on the above reality. If they feel they are paying money but do not get equal value, they definitely will consider other options available to them.

Branding building

Building the brand and identity of your organization is key. The brand carries the story and people buy stories first before they buy your internet. Therefore, strive to achieve brand recognition. Tell your story all the time. Leverage the technology. Share your story through social media or door to door if necessary.

Once you acquire customers, the key goal should be retention. Offer additional services or package your services and march them up with reasonable costs. The idea here is for you to increase your margins and increase customer retention chances.

The competitive edge

Low margins, high volumes. Be the lowest-priced Internet Service Provider in your market. Small companies have a competitive advantage over big companies, in that they can see where the industry is going and move in that direction more quickly than the competition.

Marketing strategy at Brand Technologies

Brand Technologies emphasizes the following at the core of its marketing mission:

- **Contact Campaigns**. This initiative encompasses various methods of reaching potential customers to generate interest, followed by door to door visits to the potential customer.

- **Print Advertising**. Brand Technologies prints posters and places them in strategic points e.g. high traffic areas for example the local market, bus stops, etc

- Advertises on WhatsApp statuses every so often.

- Collects analyzes any competitive information received.

- Brand Technologies creates marketing materials that include customer support.

- Brand technologies actively collects and disseminates client testimonials.