

## Marketing Excellence

>>Bee



Bee provides payment solutions to its customers in seven Asian and Eastern European countries. Cash economies are the main target market for Bee's offers. The company was established in 2005 and opened its Egyptian subsidiary in 2009 with a capitalization of US\$20 million and 85 employees. Based on the company's global leadership and Egyptian market awareness, Bee payment solutions now cover Mobinil, Etsalat, and LINK DSL, and have lately contracted with Vodafone, Telecom Egypt, and TE Data. Bee works as a payment intermediary between information and communication technology providers

and their subscribers. The core value of Bee centers around providing multiple cash payment venues through its wide network of contracted retailers. The idea behind choosing cash economies as the target market rests on the culture of high resistance to e-payment transactions. Bee services provide cash payment as an alternative in lieu of e-payment. Another attractive advantage for Bee business in developing countries is the convenience of the places used for payment, such as kiosks and other small independent retailers that are extensively distributed throughout rural and other isolated neighborhoods. Common traits among residents of these districts are: lack of trust, security concerns, and technological illiteracy. As a result, Bee services are very well accepted and welcomed. Bee is currently expanding in the Egyptian market.

To continue expanding in Egypt, the company needs to launch its services in many provinces. A prerequisite for future progress is high market awareness and superiority. There are three other players that offer payment solutions in Egypt: Fawry, Masary, and Khadamat. Fawry is the market leader and has twice as many retailers as Bee. Fawry has operated in Egypt since March 2010, while Bee activated its services in July 2011. Bee conducted modest marketing research to identify Fawry's areas of weakness. Based on the research results, Bee customized its advertising campaign so as to highlight these weaknesses as areas of strength for Bee's products. The research sample incorporated 20 retailers who deal with Fawry besides 50 of Fawry's final customers. Mystery shoppers were used at retailers to acquire the full transaction experience as ultimate customers, and ethnographic researchers interviewed

Fawry's real customers in front of the outlets. One striking finding was that Fawry charges its final customers/users additional fees for transactions on cellphones, landlines, and internet payments, with varying amounts for each. To capitalize on this major finding, Fawry's customers were asked about their perception regarding these additional charges. Customers rejected the extra charges in principle and wondered why they were being charged, especially when Fawry's bill issuers or providers were also charged. The retailing research also indicated that Fawry collects insurance in the form of deposits for providing payment equipment to conventional independent retailers, while Bee never loads its retailers with any charges.

The only providers who don't pay charges to payment solution companies are Telecom Egypt and its affiliated company TE Data. Fawry is passing on these charges to its ultimate customers. However, Bee had neither Telecom Egypt nor TE Data as its providers. Thus Bee had the flexibility to turn the disadvantage of not covering Telecom Egypt and TE Data into an advantage by presenting a new value proposition. Bee automatically launched an aggressive marketing campaign highlighting its free charging services to customers. The campaign theme was focusing on "For Free" (or Bblash). Bee allocated US\$250,000 to the "For Free" (Bblash) marketing campaign applied to multiple communication instruments like radio stations, outdoor and cab billboards, posters and flyers at retailing outlets, and Facebook. The campaign lasted two months and fully achieved its objectives by doubling Bee's daily transactions. It also achieved an immediate activation contract with Telecom Egypt and TE Data. Mr. Mohamed Abu Khadra, senior marketing manager, said, "The marketing research led Bee to identifying an opportunity and conducting the Bblash campaign. If this venture didn't exist, there would have been for sure another value to discover and to build upon Bee's value proposition." Before the market research was conducted, Bee had only 1500 retailers carrying its services. This number jumped to 3000 retailers thanks to the marketing campaign. To maximize the acquired benefits, Bee aims to continue introducing its full portfolio of services in Egypt. Mr. Abu Khadra said, "Our objective is to reach 10,000 retailers by the end of 2011."

### Questions

1. Identify Bee's positioning. How do you perceive Bee's position against Fawry?
2. Do you think Bee conveyed a clear positioning message to its target market? How and why?
3. Access Bee and Fawry's websites and then write two paragraphs detailing differences between the brands.
4. Imagine you are Bee's marketing manager. Based on the text here, outline the company's competitive marketing strategy for the next year.
5. Self-knowledge is the ability to identify the product attributes that are important to you. From the case, determine and discuss your e-payment self-knowledge. Do you think companies have the ability to raise consumers' self-knowledge. How and why?

**Sources:** Reem Abdellatif, "Bee offers payment solutions to Egypt customers," *Daily News Egypt*, July 20, 2011, <http://www.thedailynewsegyp.com/economy/bee-offers-payment-solutions-to-egypt-customers.html>; Bee company profile, (2011).