

# Operators in MENA can learn from sub-brands oodi and Yooz to better target the youth market

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Operators in the Middle East and North Africa (MENA) have recently been revisiting the sub-brand model to grow their subscriber market shares and experiment with new business models and digital platforms.

However, the market is increasingly competitive, so sub-brands need to offer a distinctive proposition that resonates with the aspirations of the youth segment to stand out. Operators with sub-brands can learn from the examples of oodi in Iraq and Yooz in Algeria; these sub-brands offer an extensive choice of plans, unrestricted access to popular services such as social media and are turning their apps into broader platforms for entertainment and lifestyle services.

This article is based on Analysys Mason's *Operator approaches to digital sub-brands in the Middle East and North Africa: case studies and analysis*.

## Operators in MENA have shown renewed interest in digital sub-brands since 2019

The concept of telecoms sub-brands is not new in MENA. Indeed, the first digital sub-brands<sup>1</sup> were launched by stc (Jawwy) in 2016, and by du (Virgin Mobile) and Etisalat (Swyp) in 2017. Since 2019, there has been a renewed interest in digital sub-brands in the region in order to engage with the large technology-savvy youth segment. This model is important for several reasons.

- **Experimenting with new service delivery platforms.** Sub-brands tend to have a separate team that operates an independent IT stack. This enables operators to rapidly prototype and launch propositions using new flexible business support systems (BSS).
- **Protecting market shares by targeting a single segment.** Sub-brands help operators to attract new customers and reduce churn in mobile markets that are saturated and have high levels of competition from new MNOs and MVNOs.
- **Protecting ARPU and margins.** Having a separate sub-brand enables operators to offer lower prices for certain packages while protecting the ARPU for the parent brand. This can be achieved thanks to low customer acquisition and network operating costs and the use of cloud-based BSS platforms and digital channels.

We have identified eight new sub-brands in MENA (Figure 1), seven of which are profiled in [our sub-brands report](#). These sub-brands bring a new customer experience, and most provide new features that are not found in

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<sup>1</sup> Unlike legacy sub-brands, digital sub-brands adopt a mobile-centric approach to delivering key functions such as billing, marketing and customer support.

the parent brand's proposition, such as prioritising a mobile-centric interaction and allowing plan and phone number personalisation.

**Figure 1: New telecoms digital sub-brands, MENA, June 2022**

Parent operator	Sub-brand	Country	Launch date
Ooredoo	ANA	Kuwait	March 2019
	New Shababiah	Oman	February 2019
	Yooz	Algeria	April 2021
	Yooz	Iraq	December 2021
Orange	Jood	Jordan	June 2022
	Yoxo	Morocco	February 2022
Zain	oodi	Iraq	May 2021
	Yaqoot	Saudi Arabia	August 2018

Source: Analysys Mason

stc was one of the earliest adopters of the digital sub-brand model in MENA with Jawwy, and it was successful in expanding the scope of the parent brand. It launched the first operator-run OTT video service in the Middle East in April 2018 under the brand **Jawwy TV**. Jawwy TV video bundles are available as add-ons to stc's fixed and mobile data offerings across its footprint, and are resold to other operators (such as Awasr in Oman). Two more-recent digital brands, Yooz in Algeria and oodi in Iraq, also aim to deliver more than just connectivity services by turning their mobile apps into service hubs.

## Ooredoo's brand Yooz offers game-themed plans and add-ons as well as loyalty benefits to appeal to the youth demographic

Ooredoo launched Yooz in April 2021 to consolidate its position as the digital market leader in Algeria and to drive spending from the large youth demographic. It offers unrestricted access to the favourite applications of this segment: social media, OTT streaming services and gaming. Ooredoo reported having over 155 000 monthly active Yooz subscribers at the end of 2021 (around 1.3% of Ooredoo's prepaid base in Algeria).

Gaming features prominently in Yooz's plans; the operator also offers exclusive benefits and content tailored to the local youth market.

- In addition to voice, SMS and data plans, Yooz's portfolio includes game-themed plans and add-ons that provide a dedicated data allowance for the popular online multi-player game, PUBG, as well as the ability to get game skins. Customers can also download selected free games on their phones.
- Yooz offers zero-rated access to Ooredoo's local music and video streaming platforms (ANA Flix and ANA Zik, respectively).
- It has a dedicated loyalty programme that gives customers discounts for shopping, sporting activities and restaurants.

## Zain's oodi app aims to become an interface for entertainment and lifestyle services in Iraq

Zain launched oodi in May 2021 to engage the youth segment and capture growth opportunities in the 4G market. Zain established an independent business unit to design oodi's service and app, and deployed separate IT infrastructure. The number of oodi subscribers grew rapidly from 20 000 in December 2021 to 70 000 in March 2022. Zain also claims that oodi's ARPU is three times higher than Zain Iraq's ARPU.

Some interesting features of the oodi plans are that:

- its subscribers can convert points from third-party loyalty programmes into oodi credit, which can then be used to renew plans or buy add-ons
- the mobile app includes its own loyalty programme and a marketplace where oodi credit can be used to purchase vouchers that can be used in games such as PUBG, or as credit on content streaming platforms such as Apple iTunes.

Other operators should explore whether they can scale up their sub-brands to become broader platforms for entertainment and lifestyle services. They should learn from oodi and Yooz and consider the following.

- Provide a large choice of plans. For example, Yooz has 19 monthly and bi-weekly tariffs in addition to daily plans, while oodi's customers can build their own plans by choosing between more than 30 combinations of voice, SMS and data allowances.
- Offer easy and unrestricted access to popular services (such as social media and online gaming) with zero-rated plans.
- Grow the app to become an interface to third-party services and ecosystems to increase customer loyalty and stimulate spending.