

By JONATHAN KWOK

TELECOMMUNICATIONS is a fiercely competitive game with corporate giants dominating the landscape, but tiny Teliwave is giving the big boys a run for their money.

The firm, which began operations in April 2007, provides Internet telephony services to mobile phone users through its Hoiio brand.

StarHub's Pfingo and MediaRing's S-Connect provide similar services, but Teliwave has been ranked as the most popular provider in Singapore, according to research agency Alexa.

It uses a technology that it says provides a seamless customer experience.

"The user experience on Hoiio is quite different (from that of other brands)," said chief operating officer Yeo Lee Meng.

"When users have it on their smartphones, it is automated in terms of call connecting and users don't need to launch separate applications when making calls."

Mr Yeo says Teliwave's user-friendly software gives it a head start. Rival systems, he adds, sometimes require phone users to take multiple steps to make outgoing calls.

Telephony companies like Teliwave provide mobile phone services at a fraction of the fees charged by traditional telcos.

They adopt Internet telephony systems – otherwise known as Voice over Internet Protocol (VoIP) – which use Internet networks to transmit voice information over distances. Traditional telcos use fixed-line circuits.

Using VoIP can save customers more than 70 per cent for local mobile phone calls and around 90 per cent for overseas calls.

Teliwave is still small fry – its employs only 22 people – with revenue of about \$800,000 last year.

But there are real signs of growth: The number of active paying users has hit 2,500, from 800 four months ago, while over the same period, around 300 corporate users have signed on, up from 50.

It is gaining traction in a tough environment, but the Teliwave team knows about doing it the hard way. It has had to walk a rocky path to get to where it is now.

Mr Ong Kok Choong started the company fresh out of university with a friend – and \$1.5 million in funds from government grants and three angel investors – but progress was difficult.

In fact, there were only 100 active paying users during the company's first 16 months.

# Ringling endorsement for tiny telephony firm

## Sharp increase in take-up of Teliwave's Hoiio services



Teliwave's founder, Mr Ong (right), and chief operating officer, Mr Yeo, want to grow the market for telephony services among the 6.5 million mobile phone subscribers in Singapore. They also plan to set up an overseas office to cater to East Asian subscribers. ST PHOTO: RAJ NADARAJAN

The corporate clientele was even weaker, with only three companies using Hoiio. Annual income was less than \$100,000.

"We knew that we had, in Hoiio, a very good product. However, the team then had no experience in business," said Mr Ong, 28.

"We didn't know whom to sell to, and whom to market to. Business was insignificant."

It was in the middle of those tough times, in the third quarter of 2008 when

the financial crisis also started, that Mr Ong's co-founder threw in the towel and left the company.

But it was also around then that Mr Yeo, an experienced businessman, joined the firm and sparked a turnaround.

The 44-year old father of two primary schoolchildren had spent the previous 11 years working with small and medium-sized enterprises.

This included three years at a newly founded information technology distribution business and two years in Shanghai with a venture capital company.

His vast experience was precisely what Teliwave was crying out for.

"We needed experienced and talented industry old hands to join us, especially since I had no industry experience," said Mr Ong.

Mr Yeo added: "Teliwave had the potential to grow big, so I invested myself in it. I like working with early-stage companies where I have to build things from scratch."

He immediately rang the changes, re-organising the business to focus more

on sales, marketing, product management and customer services.

The business operations team – which takes care of these aspects – comprised only three people, but was gradually beefed up to 10 over the next 12 months.

Teliwave then started on its new direction with outreach campaigns to generate awareness of its Hoiio services.

It targeted corporate clients with electronic and direct mailers, while relying on media coverage such as a paid advertorial – sponsored by enterprise agency Spring Singapore – in The Straits Times in November last year.

The focus of Teliwave's advertising campaigns also changed.

"Before Mr Yeo, the marketing was done from an engineering point of view. We tended to sell the technical aspects of it, rather than the value provided to end users," said Mr Ong.

"After he joined, we focused on how the product could meet clients' needs."

The company attributes much of its growth in user numbers and revenue last year to Mr Yeo's initiatives.

One satisfied corporate client is Eureka Technologies, which sells electronic locking and home automation systems.

Managing director Chow Yee Hoong credits Hoiio for saving 30 per cent of the company's bills on its calls to suppliers and clients in Europe, America and the Asia-Pacific region.

"The product is useful to us. We communicate quite frequently by phone, and when my guys are overseas, we can use it to communicate with them and save roaming charges," he said.

Mr Ong and Mr Yeo are keen to grow the market among the 6.5 million mobile phone subscribers in Singapore.

They estimate that only 5,000 to 6,000 people use VoIP – a penetration rate of less than 0.1 per cent.

"The product is currently at the stage where it is used by only geeks, and it is not really mass market yet. The potential for growth is tremendous," said Mr Ong.

But Teliwave is also looking overseas and hopes to set up an office by the end of the year to start taking in subscribers from East Asia.

Locations under consideration are China, Hong Kong and Taiwan.

Mr Yeo said: "Singapore companies like us must move beyond Singapore; we can't be confined by the size of the Singapore market."

Mr Ong has his sights set on emulating a well-known global brand.

"We want to be the Skype of mobile phones. Skype owns the telephony business for computers, we want to own it for mobiles."

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