

Softbank's WiFi offloading strategy saves millions on mobile network investments

Introduction

Softbank first began as a software distribution business in the PC industry. Driven by the vision of its founder and CEO, Masayoshi Son, Softbank has become one of Asia's biggest telecommunication media and Internet corporations.

In mid 2008 Softbank was the 3rd largest telecommunication operator in Japan, with 19 million mobile subscribers.



The Project

In 2008, Softbank won the exclusive distribution rights of the highly awaited iPhone 4S, which brought great success: Market share increased from 16% to 23%. The number of new subscribers compared to its competitors doubled.

However Softbank became a victim of its own success, resulting in an unexpected congestion of its 3G network. Being able to match the increasing connectivity needs of its customers in a short period of time, along with keeping costs down, was the primary reason for deploying a complimentary WiFi access network.

Thanks to the iPhone, Fon finds its sweet spot in Japan

Source: gigaom.com, Jul 12, 2012

Key achievements

- Softbank became a pioneer in deploying WiFi networks in Japan
- Over 1 million hotspots deployed
- 50% of total traffic generated by Softbank's customers is offloaded to WiFi
- Outstanding customer experience: Softbank became the top operator in iPhone sales even after sale exclusivity ended, thanks to its unmatched WiFi connectivity usage. More than 4 petabytes data offloaded monthly

Why Fon?

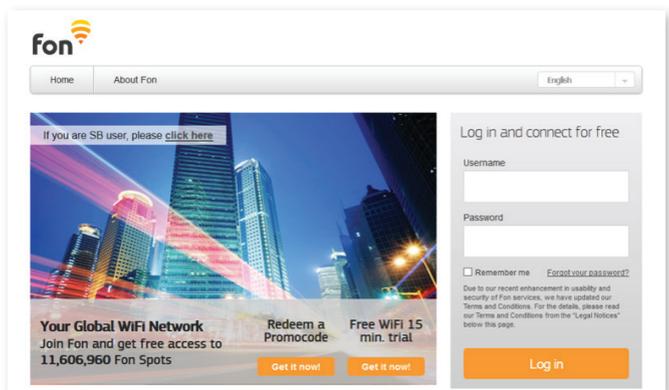
Fon is an expert in WiFi and Fontech is the leader in offloading solutions. The company provided Softbank with a service that included:

- Cost-efficient routers
- Pre-integrated, plug-and-play Fon hotspots (Foneras)
- A platform capable of managing provision and seamless login to the network
- A scalable solution to manage the huge amount of traffic offloaded

Business model

Softbank gave every customer that bought a smartphone or tablet one of Fon's WiFi routers. At purchase time, devices were configured to seamlessly connect to WiFi when they were under hotspot coverage, both at home and on-the-go.

Customer's traffic offloaded to WiFi at home, (where most of the data traffic is generated), resulting in enormous cost savings for Softbank. Customer satisfaction increased since they had free WiFi connectivity when they were out-and-about.



"We were ahead of our competitors in seeing the importance of offloading traffic via WiFi, and made the first move to introduce it. Our competitors didn't seem to notice the importance of offloading to WiFi until much later, and then they scrambled to start installing access points."

Masayoshi Son founder and CEO of Softbank