PROJECT TITLE: Fixed Wireless Internet Market Analysis for Viasat

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Fixed Wireless Internet Market Analysis for Viasat

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Executive Summary

The purpose of this report is to help Viasat better understand the global fixed wireless Internet market focused on rural and underserved areas and help Viasat come up with an overall market approach on how to enter this massive market and maintain a competitive edge. This report consists of a competitor analysis, global best practices, opportunities for partnership, market entry analysis, and an approach to best leverage Viasat’s high throughput satellites that offer global coverage.

First, the team completed a competitor analysis for the fixed wireless Internet market. The team discovered three competitors from the United States that are currently in the fixed wireless Internet market. These competitors include T-Mobile, Verizon, and AT&T. The team also found competitors outside of the United States that are in the fixed wireless Internet market. In the Asia-Pacific region, two of the major players in the fixed wireless Internet market are AIS in Thailand and NTT Docomo in Japan. In the European region, two of the major players in the fixed wireless Internet market are Vodafone in the UK and Orange in France. Lastly, in the African region, the major player in the fixed wireless Internet market is Afrimax.

For most of these competitors, the team found coverage maps of where the fixed wireless Internet service is available for each company. In addition, the team created an offering and cost analysis table for each company. To complete the competitor analysis the team also did a SWOT analysis and Porter’s Five Forces analysis. The key takeaways from the SWOT analysis were that there are a lot of opportunities for new entries into the market because the trend for 5G or LTE Internet is on the rise and the biggest threats are security concerns. The key takeaways from the Porter’s Five Forces analysis were that the threat of new entrants in the fixed wireless
Internet market is low to medium and the threat of competitors currently in the fixed wireless Internet market is also low to medium. Viasat can have a competitive advantage that enables them to outperform its competitors if they decide to enter the fixed wireless Internet market. Viasat’s advantages over its competitors are its strong customer base, competitive pricing/offerings, and brand reputation. There are some competitive advantages Viasat would have for partnering with a competitor or a company that has already entered the fixed wireless Internet market. These advantages include access to required technology and helpful insights into the barriers to entry, costs involved, and any problems they came across while entering the market.

Moreover, the team also went into detail on global best practices for the fixed wireless Internet market. Fixed wireless Internet (FWI) has become the new way to access the internet and it is important to ensure the data is private and secure. The USA PATRIOT Act, Digital Millennium Copyright Act, and The Electronic Communications Privacy Act (ECPA) are just some of the legislations within the North American region in place to mirror best practices within the industry (IT Security: Federal, State or Local Laws · Policies & Procedures · Administration, 2019).

Over 3.1 billion people in the world have access to the Internet, but the remaining 4.2 billion lack access, and FWI is positioned to bridge the divide. One of the ways to overcome entry barriers and quickly deploy services is for Viasat to actively engage with stakeholders within the regions and offer fixed wireless trial services with money back guarantees or zero initial cost to some customers, and work with local authorities to reduce or eliminate "connectivity taxes" if any thereby leading to more affordable services.
Other best practices that Viasat will implement is to provide truthful, verifiable, and relevant information about the speed and latency to their customers. Additionally, Viasat must work to prevent spam, viruses, security attacks, network congestion and other risks as part of their responsible network management practices while also engaging their customers via a solid social media strategy.

Furthermore, the team described some opportunities for partnerships for Viasat. A significant global market opportunity exists for fixed wireless services to bring higher data speeds in rural areas, underserved communities for education, and telemedicine.

FWI is also well suited to support enterprise customers and is a cost-effective solution for replacing legacy wireline infrastructure and mobile fronthaul network. FWI can address unmet needs of different markets by bringing internet access to regions that are not currently served by other broadband technology (Wye, 2018).

Viasat has a clear opportunity for a new market in Africa by partnering with other providers on ground including governmental agencies to deploy tailored services like pre-paid (pay as you go) or freemium while overcoming income barriers.

Additionally, the ARPA and CAA 2021 allocations provide a great funding and partnership opportunity to expand broadband within USA. Canada and Latin America are seeking partners to invest in its broadband infrastructure projects to rural and remote communities and these offer a promising opportunity for Viasat.

The Covid pandemic delayed EU targets for broadband coverage by 2020, and some EU countries are still looking to meet these targets. The European Commission has put forward multiple policy measures and financial instruments to encourage private and public investments in their bid for a Europe fit for digital age by 2024 (Broadband Strategy & Policy, 2021).
France is providing centralized funding for rural markets and Poland has established a multi-stakeholder platform to deploy 5G. High-speed Internet use has increased in regions with the lowest fixed broadband penetration as a way for the society to live through the pandemic and other threats, and Viasat technology will be best positioned to capture these markets in North-East Asia, South-East Asia, Central and Eastern Europe, and Central, Latin America, and India, which has been hard hit by the Covid-19 crisis.

Furthermore, Viasat can engage in public private partnership, strategic alliances, and joint ventures with existing operators like AIS, AT&T, Huawei etc. to expand their fixed wireless network in underserved and rural areas.

Lastly, the team completed a market analysis to determine a market entry approach, barriers to entry, an overall market approach, and recommendations for how Viasat should enter the fixed wireless Internet market. The team’s market entry approach is to deploy fast, reliable, and low latency services while partnering with public and private organizations amongst the different regions examined in this report. As a new entrant, Viasat can deploy new advanced fronthaul and backhaul equipment which will be more efficient and compatible with new customer requirement for faster speed. With more and more businesses using cloud-based services for their OPEX and CAPEX and needing an always working Internet service, FWI will serve as the primary or back-up broadband service. As market demand for universal and higher-speed broadband access increases, FWI will play a major role in enabling that vision. However, the main barriers to entry include high start-up costs, regulatory hurdles, and other obstacles that prevent new competitors from easily entering the market. The team’s overall market approach for Viasat to enter the fixed wireless Internet market is through a partnership or acquisition. The team came up with the following recommendations for Viasat. These recommendations are split up by region.
For North America, the team recommends that Viasat partners with a U.S. competitor such as, T-Mobile, Verizon, or AT&T. Advantages of this are the access to required technology and increased brand reputation. These three companies have already entered the market, so by partnering with one of them, they can provide Viasat with helpful insights into the barriers to entry and costs involved. Additionally, the U.S. Government, at local, state, and federal levels, has great opportunities for public-private partnerships in addition to different cooperatives and WISP groups that can share information and other best practices. Also, the Canadian WISP has agitated for changes to recent regulations concerning the WBS spectrum in use, as these changes may affect their members negatively leading to business outage for some. This spectrum policy change has opened a great opportunity for Viasat to not just partner but seek acquisition of some of these established companies.

Moreover, for the Asia-Pacific region, the team recommends that Viasat partner with AIS. Its comprehensive service offerings and advanced technology to enhance the customer service experience established AIS as the best fixed broadband provider in the region. AIS is a great company for Viasat to partner with because it has had a lot of success in the fixed wireless Internet market and has dominated the market in the Asia-Pacific region (Frost & Sullivan, 2020). Additionally, the team recommends that Viasat partners with either the government or private companies within the Association of Southeast Asian Nations to help implement the recently signed Digital Masterplan 2025. The Internet economy in Singapore, Malaysia, Indonesia, the Philippines, Vietnam, and Thailand — the largest economies in the bloc — is predicted to cross $300 billion by 2025. Potential partners like Viasat are expected to assist to heighten the stakes and make international cooperation more valuable (Choudhury, 2021).
Lastly, for the Europe region the team recommends that Viasat work with the EU member states by partnering with different companies like Orange, Vodafone, and government agencies to meet Digital Connectivity goals. For the European and African regions, the team recommends that Viasat joins the partnership between Vodafone and Afrimax. In May 2020, Vodafone and Afrimax Group announced a new partner market agreement for Zambia. Vodafone collaborated with the 4G telecommunications operator to offer high speed 4G data services via the Vodafone Zambia brand. The non-equity agreement promised market-leading customer services and a high-quality network. The deal was planned to co-operate and explore potential partner market opportunities in various sub-Saharan territories. As part of the agreement, Vodafone and Afrimax have partnered to launch 4G services in Uganda (Kazaresam, 2020). This partnership can be very beneficial for Viasat because of the political and market penetration hurdles they have already overcome in this region.