

White Paper

Wholesale vs. Retail Business Models for Fiber Operators.

What are the Differences Between Wholesale and Retail Business Models?

Wholesale business model is different from retail or vertically integrated business model in many ways. One of the main differences is that, as a network operator, the income per subscriber is typically lower.

The wholesale business model differs from retail or vertically integrated business model and one of the main differences is that, as a network operator, the income per subscriber is typically lower. However, this is usually compensated by the reduced marketing and advertisement costs and the fact that first-line support is transferred from your organization to one or several service providers.

Furthermore, the ability to freely choose and switch between service providers is a key advantage of a wholesale model, and can drive volumes to your open network. With a high level of automation, wholesale can be a great opportunity for you as a network operator to grow your footprint and convert homes passed to **homes connected**.

Benefits of the Wholesale model


Another benefit of the wholesale model is that it allows for more innovation and competition in the market. By opening up the network to multiple service providers, new and innovative services can be offered to consumers, while competition among providers can lead to better prices and improved service quality.

Finally, a wholesale model can also help to bridge the digital divide, by making high-speed internet access more affordable and accessible to a wider range of consumers. This can have important social and economic benefits, such as improving educational opportunities, promoting entrepreneurship, and boosting economic growth in underserved areas.



To summarize, wholesaling will have implications on how to run your business:

1. Higher volume (but lower Average Revenue Per User (ARPU), can be handled through automation and digitalization.
2. Reduced need or complexity in marketing, customer relationship management, invoicing, customer communication, customer helpdesk, and more.
3. If wholesale should work, you need to consider the customer experience even if you do not front the customer directly. Interoperability and good cooperation with your Retail Service Providers are of the essence.

A man with short dark hair, wearing a grey blazer over a light-colored shirt, is seated at a white table. He is looking down at a silver laptop, with his right hand resting on the keyboard and his left hand resting on his chin in a thoughtful pose. On the table in front of him are two white coffee cups. The background is blurred, showing other people and warm, ambient lighting.

With a high level of automation, wholesale can be a great opportunity for you as a network operator to grow your footprint and convert homes passed to homes connected.

Automation and Standardisation for Wholesale Business

Based on experience at Netadmin, spanning back to the beginning of 2000, we have seen some crucial components for getting the wholesale business model to fly.

1. Standardized product catalog.
2. Offer a well-defined API and an easy-to-use portal for Retail Service Providers.
3. Automation, digitalization, and robustness of the key processes (e.g. availability checks, installation, ordering, troubleshooting).

Separating Your Wholesale and Retail Parts of the Business

Another important thing is to being able to separate your wholesale and retail part of the business.

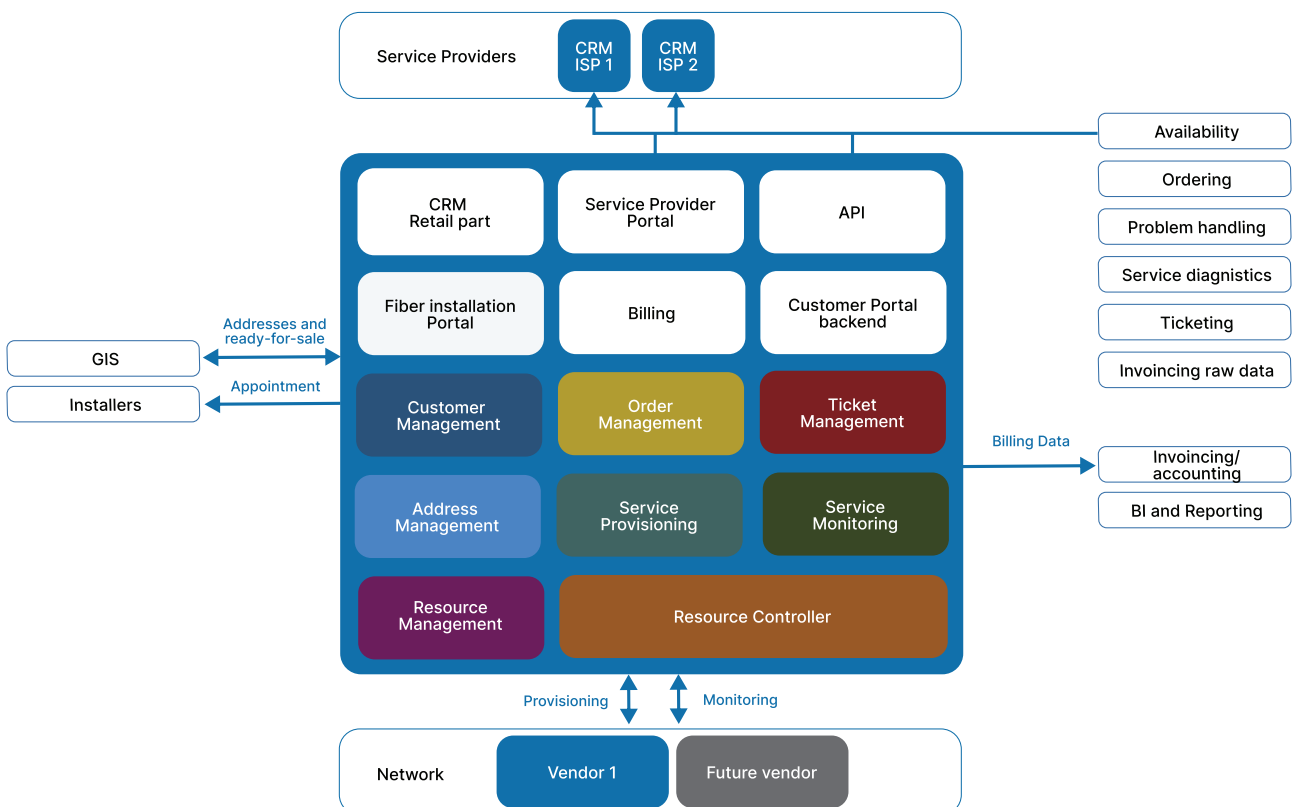
We have seen that in order to be trustworthy in your wholesale business you need to treat all Service Providers the same, so your own Service Provider part need to operate with the same tools and processes that external Service Providers does.

Secondly, we have seen that you in the future might separate and eventually sell either the wholesale part or the retail Service Provider part.

Without a clear separation between wholesale and retail you will risk making everything much more complex and problematic.

Wholesale Operator's Needs for Digitalization and Automation.

When it comes to the wholesale operator's needs for digitalization and automation, the choice of software is crucial. At Netadmin, we have our own best practices for this – We propose a system landscape that looks like this.





Netadmin helps you automate and manage different tasks in all the steps in your customer journey.

WE'RE ENABLING DIGITAL EXPERIENCES

Wholesale vs. Retail Business Models for fiber operators



Netadmin Systems is a vertical software company dedicated to providing essential software solutions to support wholesale fiber operators in Building, Operating and Monetizing fiber networks. Since being founded in 2004, Netadmin has become a major contributor to the Fiber-to-the-Home industry.

Since 2015 Netadmin is owned by Lumine Group, a subsidiary of Constellation Software Inc.

Learn more at netadminsistemas.com.

Linköping, Headquarters
Wallenbergs Gata 4
583 30 Linköping, Sweden

info@netadminsistemas.com