# Senkyu: MTN Uganda's new way to say 'thank you' loyalty program

By Michelle Donegan

**Who**: MTN Uganda and Tecnotree
**What**: Rebuilt and expanded customer loyalty program, called Senkyu, to acknowledge customers and drive innovative ways to redeem points, including integration with digital payments, which improves financial inclusivity in Uganda.
**How**: Implemented Tecnotree's Digital Loyalty Management platform, leveraging TM Forum's Information Framework, Open APIs (including Loyalty Management API) and Business Process Framework.
**Results**: Improved customer retention by 9%; increased loyalty program enrolment by 45%; achieved 12-times more loyalty point redemptions per day compared to previous program; reduced operating cost of running loyalty system by 40%; diversified loyalty program beyond traditional telco services by enabling loyalty point redemption for almost any products or services, including healthcare, education retail, through a partner marketplace.

MTN is the largest service provider in Uganda with 15 million subscribers and more than 50% market share. In this competitive market, most mobile subscribers have multiple SIMs and usage between different service providers is easy.
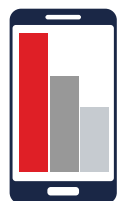
Uganda is a duopoly telecom market where MTN and one other operator enjoy the lion's share of the market. In such a market where brand and value perceptions are so difficult to change, MTN Uganda knew it was extremely important to build a clear differentiator. They wanted a proposition that is long lasting, very difficult to replicate and offers continued and real value to its customers through a commitment linked to customer behaviors. As the market leader, MTN needed to create a first of its kind loyalty platform that was fully digital yet simple for the mass market to understand and appreciate.

The operator implemented the Digital Loyalty Management (DLM) platform from long-standing BSS partner Tecnotree and launched the rebranded program 'MTN Senkyu' in July 2020. Senkyu is how 'thank you' is pronounced by many of the indigenous people of Uganda.
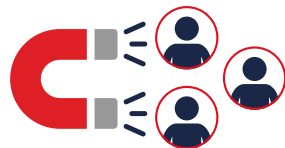
After one year in operation, the number of subscribers enrolled in the program increased by 45% to more than 13 million, which is nearly 90% of MTN's entire customer base.

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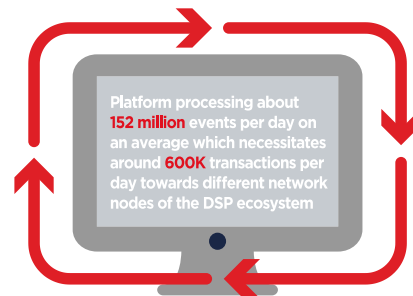
## MTN Uganda's Senkyu Loyalty Program

Implemented Tecnotree's Digital Loyalty Management platform, leveraging TM Forum's Information Framework, Open APIs (including Loyalty Management API) and Business Process Framework.

highest **NPS** among all **MTN** services

improved customer retention by **9%**

Platform processing about **152 million** events per day on an average which necessitates around **600K** transactions per day towards different network nodes of the DSP ecosystem

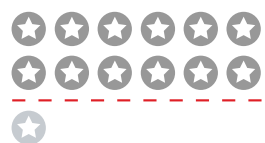Reduced operating cost of running loyalty system by **40%**

**45%** increase in loyalty program customers covering almost

**90%** of current subscribers base

Overall digital wallet value out of loyalty points spent approx **UGX 123 million (US$35,000)**
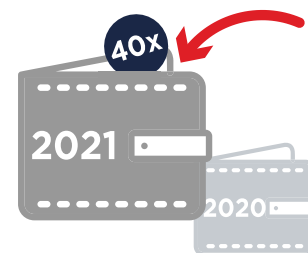
**40x**

2021

2020

40x increase in the uptake of loyalty points conversion to digital wallet value in 2021 compared to 2020

**12x** increase in number of loyalty point redemptions per day compared to previous program

MTN

### A new way to say thank you

MTN Senkyu is a unique loyalty program in Uganda and goes beyond typical telco reward schemes. For the first time, MTN integrated the loyalty system with its Mobile Money (MoMo) service as well as third-party merchants, giving customers more ways to earn and spend points.

Customers earn loyalty points from buying MTN airtime and data bundles as well as using MTN services, including data, call, and MoMo services. Additionally, customers receive bonus points on their birthday as well as the anniversary of their first call on MTN.

Points can be redeemed not only for more MTN voice calls, SMS or data, but also can be used in exchange for products or services through the MoMoPay service with over 120,000 merchants across the country.
Ali Monzer, Chief Technology and Information Officer at MTN Uganda, described Senkyu as "the biggest loyalty system I've ever witnessed in the telecom market in Africa."

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*"We have opened our loyalty system to redeem anything that comes to your mind. This is the power of digitalization and having an open, flexible architecture with an open API system."*
*-- Ali Monzer, CTIO, MTN Uganda*

Senkyu points can be used towards purchases of just about anything, from refrigerators to shoes or food, he explained.

"We are providing a customer experience that is impacting people's lives," said Monzer. "We're giving back to our customers a certain percentage of what they spend on our network in a way that can benefit them. This is the experience that MTN has successfully managed to deliver."

## Rebuilding MTN's loyalty program

Tecnotree's DLM platform provided the foundation for MTN Senkyu and brought together multiple systems to enable the integration with MoMo and other platforms, leveraging TM Forum Open APIs.

One of DLM's key technology innovations is the event-processing engine, which enables customers to see their earned points accumulation in near real-time after every transaction. The platform processes more than 152 million events per day and nearly 4.6 billion events per month on average. It is built on an event-driven architecture using the open-source Apache Kafka framework implementation, making it highly scalable and responsive compared to competing loyalty platforms.

The event processing speed translates into convenience and instant gratification for customers. It also introduces gamification into the program, whereby instant updates on earned loyalty points encourage customers use more to win more points, propelling service growth for MTN.

## Bringing it all together

Another important element is the Tecnotree Surge Digital Accelerator Platform layer, which is central to opening the APIs for various MTN and partner programs to be integrated quickly with the loyalty system. Tecnotree brought together all MTN business support systems, including customer relationship management (CRM), order management and catalog management, delivering a unified experience across different customer experience touchpoints.

The program prioritized operational efficiency throughout the implementation. Tecnotree ensured the new program supported intelligent operations, including capabilities such as self-deploying applications, data-driven events based on artificial intelligence and machine learning, predictive intelligence and autonomous diagnostics with self-healing capabilities.

The digitalization of the loyalty program in Uganda is indicative of MTN Group's four-year OXyGEN transformation program launched in 2019 with the aim of transitioning from a communications service provider to a digital service provider. In Uganda, a first step in the digitalization journey is the integration of MTN Senkyu with mobile money so that points can be redeemed in more places, according to Ali.

The next steps for the MTN Senkyu program are to expand the ecosystem with more merchants so that points can be spent anywhere in the country.

## Open APIs unify loyalty program across services

Multiple TM Forum references are used in this project. Its open digital architecture is based on the Business Process Framework (eTOM) so that it is standard-based and extensible. Meanwhile, Tecnotree's DLM was inspired by the TM Forum Information Framework (SID). The DLM platform is part of Tecnotree's Digital BSS Suite 5, which was the first product to receive TM Forum's Gold Badge for Open API Conformance in 2020.

Among the Open APIs involved, TMF 658 Loyalty Management API is key. Open APIs are essential to enabling customers to earn, view and redeem points via diverse channels as well as allowing partners to create new offers and provide a wider variety of benefits for customers.

The project also benefited from TM Forum's Digital Operations and Cloud Native community in the design of the loyalty application. By building the application to run on containers, the project achieves frictionless operations and faster innovation and can be easily customized.

## A rewarding digital loyalty journey

Before MTN launched Senkyu, the existing loyalty program was stagnant with a membership of just 9 million customers. Currently, Senkyu has 13.1 million customers enrolled in the program who are earning and redeeming "millions of points" every day.

Customers clearly appreciate the rewards scheme. With a Net Promoter Score (NPS) over 70, Senkyu has one of the highest NPS of any MTN service.

Loyalty point conversions to Mobile Money increased by 40 times over a period of one year, which was partly driven by higher demand due to the COVID-19 pandemic.

The digital loyalty program has also enabled MTN to reduce the operational cost of running the loyalty system by 40%, while improving customer retention by 9%. Furthermore, the loyalty points redemption system encourages digital transactions in other sectors in the country, such as healthcare, education (i.e., paying for school fees), insurance, gaming and retail.
The program has also delivered:

- a 12-times increase in the number of loyalty point redemptions per day compared to previous program
- 40x increase in the uptake of loyalty points conversion to digital wallet value in 2021 compared to 2020. The digital wallet value derived from loyalty points spent amounted to approximately UGX 123 million (US$35,000).

According to Monzer, the higher participation in the loyalty program has driven more usage on its network as well as MoMo service and boosted its brand perception in the market. "The loyalty system has woken up the sleeping base", he said, as customers use more services to earn points. "They see MTN is giving back to them, and we know they will give back to us," he added.

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