



Cover Story

Title: AirTies : Dynamic entrance in the Greek market

Lead: More than 2,5 million satisfied customers recommend AirTies. They constitute the strong base of the company. Mr. Bülent Çelebi, President and CEO of AirTies, analyzes the achievements and targets of the company that aspires to make the difference in the rapidly changing telecom landscape.

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nw: When was AirTies founded and in which sector is it active?

Bülent Çelebi: The company was founded in February 2004. The founding members, management team and engineers, including myself come from Silicon Valley of USA. The idea

was to focus in the home networking sector of Eastern Europe and Middle East regions. The main reason we chose to do business in this geographic region was that these countries have different telecom service providers, different language and different business methods. Most of our competitors do not have the demanded R&D capabilities and that's why they depend on products designed for the American market. When these products are sold to other countries than USA, various compatibility problems arise which are difficult to resolve, due to our competitors' inability to adapt or upgrade them internally.

nw: The broadband market in Greece is constantly expanding. At the same time, demand arises for wireless connectivity. Which are the opportunities you identified in Greece and made you decide entering the Greek market?

B. Çelebi: The major reason was indeed that the Greek market is developing rapidly and therefore it is an ideal market for business activities. It is expected that in the years to come, the Greek broadband market will develop even more. We also knew that none of the competitive products was fully adapted to the needs of the Greek customers. Their interface was in English and there was no direct technical support. In addition, these products are often difficult to use and install. Furthermore, one of the major problems of wireless internet nowadays is that it cannot get through concrete walls. We have solved this problem by using mesh technology, which repeats the wireless signal and provides full coverage in concrete buildings or restaurants or even a hotel.

nw: Given that many multinational companies have already entered the Greek market many years ago, which are the business objectives for AirTies in Greece?

B. Çelebi: We want to offer the Greek market what we have already achieved in the Turkish market. That is to provide products easy to install and use, while also offering technical support 24/7.

We have developed products especially for the Greek market and therefore we are able to satisfy the needs of the Greek customers, who will recommend us to others consumers as well. This business model was extremely successful in Turkey and helped us make AirTies the leader in the market with a market share exceeding 60%. I believe that the key factor which contributed to this success was that our competitors do not develop products customized to the needs of each market.

nw: What is the competitive advantage of AirTies' products?

B. Çelebi: Especially for the Greek market, I would have to mention the fact that all our products have Greek interface. Even though it seems simple, in reality it is very important. We have also installed functions such as automatic functionality confirmation and automatic upgrade of our products. At the same time, we offer a simple installation procedure. Each AirTies product has a CD with an interactive presentation guiding you step by step through the installation process in Greek. 90% of our users do the installation process successfully on their own.

One other important issue we have identified in the Turkish as well as the Greek market is the constant fluctuations of power usually in the summer months. Taking that into consideration, the products of AirTies have been developed in a way that ensures optimum functionality even under these circumstances.

Additionally, AirTies R&D team has also solved the security issues of wireless networks. Given that the average end-user does not have the know-how to set up security settings, AirTies has made this procedure automatic. The end-user only has to run the installation CD to his computer and the network settings are set up automatically.

Last but not least, AirTies has developed an innovation especially for the Greek market. Contrary to what happens in other European countries, in Greece there are two types of telephone connections, the PSTN and the ISDN. That's why telecom service providers offer two different kinds of modems, while end-users often have difficulties choosing the right product for them. Recognizing this issue, AirTies R&D team developed a modem which is compatible with both PSTN and ISDN lines.

nw: You have returned to Turkey with the dream of creating a technological center of excellence. Do you believe you have fulfilled that dream?

B. Çelebi: I feel lucky because my dream has been realized, as AirTies has become a company which develops innovative technology in Turkey. We have achieved our primary goal but we do not settle. We plan to develop many more products and create a complete wireless network product portfolio. Our goal is to create a state-of-the-art house in which devices like TV, hi-fi, telephones, cameras, etc will be connected through a wireless network.

nw: Which are the incentives that Turkey offers in this kind of efforts? Would you see a partnership between Greece and Turkey for the development of a technological center of excellence for all Southeastern Europe?

B. Çelebi: The major advantage of Turkey as a country is that it has a lot of talented engineers based either in USA or Europe and have a lot of expertise in the development of such projects. Many of them would like to return to Turkey. We have 25 people who have returned to Turkey. I also know a lot of Greek engineers we could potentially develop products with in Greece. My estimation is that Greece can be a centre for expansion in the Balkans and promotion of similar products and services. For example, OTE is already active in Romania. Therefore, if we had such a partnership, we could address those markets also.

nw: Is investing in WiMax technologies in your future plans?

B. Çelebi: In line with our plans, we will be able to support WiMax technologies by 2009. At the moment, we offer ADSL and optical fiber products. WiMax will be used in the future as an alternative of ADSL. However, we will not necessarily move to the mobile sector, given that there are already companies covering the needs of this specific market. The WiFi products we use today offer a range of 5 km and cover a wide area.

nw: How your partnership with SeaChange International was formed?

B. Çelebi: SeaChange International is the biggest provider of video on demand and offers infrastructure equipment to ISPs. We develop set top boxes, they develop the equipment of providers and at the moment we have already our first customer in the Russian market. With SeaChange International, we have won a contract of Turk Telekom for the development of IPTV solutions. We will co-operate with them for the markets of Greece and Southeastern Europe, aiming to provide a complete service portfolio. Usually for providing the IPTV application, the service provider sends a technician to the end-user and 4-5 hours of work are

needed to complete the installation. With our method, the customer just pushes a button and the installation is made automatically.

nw: Which are the R&D investments of AirTies? Do you believe that you will contribute in the future formation of the telecom sector?

B. Çelebi: This is definitely a major challenge for us. Our immediate goal is to address the end-user needs, offering products which are easy to install and use and work flawlessly.

nw: Do you believe that quad-play for the Greek market is near or far?

B. Çelebi: For the Quad-play to work correctly, certain conditions need to exist. Firstly, telephones must support both WiFi and GSM. This kind of telephones are available today but they are difficult to use because each time you change WiFi location you need to change the relevant settings of the device. Maybe this is the reason they are not very popular today. In Turkey, we have already installed more than 700,000 WiFi hot spots and we have the ability to upgrade them, in order for the Wi-Fi phone to work wherever you are with the AirTies device.

Mr. Stathis Dimitriadis, Sales Manager of AirTies for the EMEA region as well as the Greek market, talks about AirTies presence in Greece.

nw: How long is AirTies active in the Greek market?

S. Dimitriadis: The company started the investment a year ago. The first step was to start product testing, in order for the R&D team to make the necessary improvements and ensure flawless operation of the products in the Greek market. When we established that we are able to offer a proper product and customer care to Greek customers, the company made a partnership with InfoQuest for the distribution of our products. InfoQuest is the first distributor. At the moment, AirTies is exploring other strategic partners.

nw: Aside the distributor you already have, how is AirTies aiming to promote its products in the Greek market? Through operators or retail chains?

S. Dimitriadis: Even though it may seem a little unusual, we aim to promote our products both ways. Most of our competitors focus on one of two: either service providers or retailers. AirTies aims both. Co-operation with service providers guarantees that our products work flawlessly and are fully compatible with the providers' networks. We must not forget that each service provider utilizes differently telecom tools, sometimes causing several performance or incompatibility issues. The solution of these problems is a prerequisite for the creation of products customized for this market.

nw: Overall, which are the basic axes of your strategy that will allow you to fulfill your business goals?

S. Dimitriadis: The major axis of AirTies strategy is to achieve such a high level of customer satisfaction that our customers will recommend us to one another. In addition to the products we have designed for the Greek market, there are also a number of advantages that will help us towards this direction such as technical support in Greek and English 24/7, repair or replacement of our products within 48 hours and 3-year guarantee. Furthermore, we aim to develop our channel partners, which will help us establish the AirTies brand in Greece.

AirTies at a glance

Revenues €30,1 mil. in 2007, €51 mil. in 2008
2,5 mil. satisfied customers

3,1 mil. € R&D investment

155 professionals, 25 management executives from Silicon Valley USA

70% market share in retail Turkish market

90% of our customers install successfully our products on their own