

DENT Gigastore for resellers and Developer API Portal Beta test

Introduction:

DENT Wireless has recently launched the new data allocation (“Quota”) feature for DENT TEAMS. In [this article](#), I explained and described the current TEAMS sharing features.

The allocation feature was announced with this chat messages from Mikko, one of DENT Wireless’ founders:

“We have worked really hard on this feature, as this enables anyone to become a DENT Gigabyte reseller. So imagine that after the Covid craziness is over, people can setup a shop and talk to tourists and sell them GB against cash, and all they need to do is to show the tourists a QR code, and set the Quota, that’s it.

The next step is to extend this to evolve to the DENT Gigastore, which will allow several business models for reselling and distributing, including payment methods, voucher codes, API access for all kinds of apps and portals and more...”

As follow up the team now wants to test the Developer API Portal Beta:

“Let us know if you are interested in getting access to the new Developer API portal beta. So let’s say, you are a developer of a game which needs mobile access, or an airline app, or hotel app, or any travel app, then using the DENT API, you can integrate DENT eSIM offering right from your app, so your user can get mobile data direct from YOUR App, without needing the DENT apps. That way, we can scale the business enormously, as any developer can use it.

So, what we want to do, is to enable any app developer, android or iOS or even web, to use our API portal to enable eSIM and mobile data in their own apps. That way any travel app can integrate DENT eSIM, just use the self-service portal, and to enable the data, they will buy bulk data from our upcoming Gigastore as a B2B customer, and then distribute the data to their customers.”

So, although there are many questions and options, and several business models for resellers and distributing will be used, this is probably how it works...

On the frontend, someone inside an external app or on a website will get the option to buy mobile data. He pays the vendor, and on the back end, the new user gets access to the data.

We also know that the reseller will use the Gigastore to buy data in bulk, and that the reseller can manage his data and clients from within the renewed TEAMS web app.

Plus we know that the new user doesn't need the DENT App to use the data but either has to activate a QR Code, or that it's possible to automate the whole process as the user is already active on his smart device and uses the external app.

But for the time being, let's suppose that the "data delivery process" makes usage of the QR Code to install the eSIM just as any new TEAMS member, and that either the new user has to enter his name and email address, or that these data will be automatically extracted from the mobile device.

And hence there is no need for the user to use the DENT App.

But this brings us to the question:

If a user who bought from a reseller, doesn't get access to the DENT App, won't he be able to use all DENT App (and TEAMS) features?

I mean, without the DENT app, a user has no access to the Afterburner Loyalty Program, the Earn Tab, the marketplace (for selling unused data), and has no sharing features (TEAMS features), and other upcoming features (as data savings).

As alternative to QR Codes, the “delivery” can also be done via Redeem Codes, where the user has to use the DENT app, and hence has all App the benefits. So, this alternative is something to consider.

But this is just one of the many questions you can ask.

For a broader look, let’s look at this “reseller, API and Gigastore”-model from 4 different perspectives: the reseller, the user, DENT Wireless, and the DENT Token holder. What questions does each participant have?

Possible questions for Resellers

- Can I sell the eSIM products under private label or just under DENT label?
- Can I set my own pricing or is the current pricing obligatory?
- What are the expected margins?
- What data products can be sold? Only worldwide data plans? Or country plans, etc.?
- What are the USPs of the data products? Benefits in comparison to competition?
- What script or code is used for the API?
- Can I use my own payment methods? What about taxes?
- How are the eSIM data being delivered?
- The upgraded TEAMS Web App will be used for management of data and clients. How easy is this to use?
- What about competition? Exclusivity?
- What about price changes? As over time the average price per GB will be lower.
- What about recharges? Especially, if the user will use the DENT App. Can DENT Wireless take over “my clients”?
- Who gives support?

- Is there sales support and marketing material that can be used?
- Where can I get more information or who can I contact?

Possible questions for Users

- What is the coverage, size, duration, prize?
- What is the quality of the data? Which carriers are being used? Multiple Carrier Support?
- How can I monitor my usages?
- How can I recharge my data?
- Can I share my data?
- Where can I have support?
- Where can I find answers to all eSIM related questions?

Possible questions for DENT Wireless

- How to acquire new resellers?
- What to develop based upon needs and wants of resellers?
- Usage of QR Codes (no DENT App) or Redeem Codes (DENT App)?
- Product/Price grid for Gigastore?
- How to set up support and promo material for resellers?

Possible questions for DENT Token holders

- Will the GigaStore be open and accessible on a public marketplace, i.e. DENT Exchange?
- Do the resellers have to pay in DENT or in fiat? And if in fiat, will DW still buy the "necessary" DENTs on DENT exchange just as with regular DENT app buyers who pay in fiat?
- By using resellers instead of direct sales to consumers, there is an extra "layer" in the distribution channel and decreases the possibility to lower the prices (as resellers also want to make a profit margin). If competition

increases globally, can DW compete with its pricing in comparison to low cost global eSIM providers without a distribution network of resellers?

So, just a few questions where we do not have the answers yet.

But I'm sure that the team has thought about these and know many of the answers.

That said, at the moment, DW doesn't sell much DENT eSIM data plans.

So, why should an app creator become a reseller? What is in it for him?

You can ask for beta testers, but without any information and so much unanswered questions, you can ask yourself "How prepared is DENT Wireless?"

I mean... what I should have done if I was responsible for this new distribution channel...

I would create a dedicated landing page or PR article where I explain the benefits for resellers by selling the DENT eSIM products and give some examples. It should be clear to all resellers what's in it for them. And if they want to join (as tester or a final reseller), they can fill in a form and someone from the team will contact them. It should also give some insight in the software or script code that the API will use such that potential resellers can see whether it fits. And the article should try to give as many answers to all possible reseller questions.

I should also have brainstormed about which business and market segment are possible new resellers, target them down to the most interesting groups of resellers, and should actively go out and try to get some pilots on board.

And of course, you can say that everyone needs mobile data, but there are main moments when people will buy mobile data on top of their current plans with their

local provider:

- 1) No or bad connection (backup to connect to another local carrier with coverage).
- 2) Out of local monthly bundle data.
- 3) While traveling abroad and own providers charges too high (roaming) fees.

And of course, people have their habits when searching how to get top-up data. And yes, they can be actively using an app when they are running out of data. But the app used at that moment, is more a matter of a "coincidence". And that app is not (by definition) the first place someone will look into to get additional data.

The first place someone is looking if he is out of bundle for the first time, is at his current provider. How much data does he need, and what are the costs to overcome the period until the first day of the new month?

Thereafter, he will look for alternatives outside his current provider. Probably by searching on the internet or asking friends. (Hence, probably not in the current app he is using)

So, in our DENT Fans TG we did a brainstorm about what could be possible good resellers for the DENT eSIM data plans. And instead of apps, we found more "locations" where people do need extra data as:

Local places where people stay for a moment while traveling (hotels, guest houses, B&B, petrol stations, pubs, restaurants, airplanes, car rentals, bus/metro/train stations, etc.). And all common places where you now often can get access via shared WiFi, but if you want to get "private" access, you can buy mobile data locally at the "ticket center" (preferable shareable for families).

But also "places" where people plan their travelling (booking agencies as Booking.com, Expedia, etc.), or hiking apps.

Or the usual places where people look online if they need something (physical) to buy as on Amazon or eBAY. But DW can easily offer their own products on these

platforms, no need to use a reseller (that said, if DW doesn't want to sell on Amazon or eBay, I want to become a reseller there myself).

Or payment processors as PayPal (they have their own mobile top up service via XOOM), Stripe, Baintree, Bunq, or Revolut that people are using anyway to make payments.

So, let's make it practical...

Business Case for the Netherlands

Suppose I'm the CEO of Bunq, (you know DENT Wireless' new partner where Bunq App users can try out DENT eSIM and get 3GB for free), and I'm considering whether it's a good idea to become a reseller or not.

As Bunq is a Dutch company with clients in the Netherlands and some other EU countries, let's first look at the Dutch telco market (and as it's part of the EU and "roam like at home" rules apply the situation in the Netherlands can be seen as example for the whole EU).

In the Netherlands, there are 3 main telco providers with own infrastructure: KPN, Vodafone, and T-Mobile.

DENT eSIM supports KPN and Vodafone for the Netherlands. So, let's have a look at these 2 carriers.

How much cost data in the Netherlands?

Let's look at the SIM Only subscription plans (with unlimited calls/SMS) and different data bundles, and out of data bundle costs...

This is the overview for KPN...

Choose your bundle

Choose how much data you want [More information about your subscription](#)

<input type="radio"/>	0 GB	+ Unlimited calls / SMS	15.00 / month
<input type="radio"/>	2 GB	+ Unlimited calls / SMS	17.50 / month
<input type="radio"/>	5 GB	+ Unlimited calls / SMS	20.00 / month
<input checked="" type="radio"/>	15 GB	+ Unlimited calls / SMS	27.50 / month
<input type="radio"/>	25 GB	+ Unlimited calls / SMS	32.50 / month
<input type="radio"/>	Unlimited data	+ Unlimited calls / SMS	35.00 / month

Unlimited data applies in NL, in the EU you have 25 GB / month. [More information](#)

You get 5G for free as long as your subscription continues. This allows you to internet faster and more securely via a smartphone that supports 5G. [More information](#)

Included as standard		
<input checked="" type="checkbox"/>	5G	2.50 / month 0.00 / month

And KPN charges €2.99 for 250MB or €7.99 for 1GB out of data usage with a 30 days validity.

For Vodafone these are the costs...



2 Choose your plan

Red Unlimited

No connection costs worth € 25

Unlimited




€ 38.00

- ✓ High-speed internet with 5G 
- ✓ 25 GB per month in the EU
- ✓ Unlimited: data, calling and texting 

Red Together

50 GB and data sharing

€ 35.00

- ✓ Unlimited calls and texts 
- ✓ One large data bundle to share 
- ✓ High-speed internet with 5G 





+ Add group members, double your data and save

Red

20 GB



€ 31.00

- ✓ Unlimited calls and texts 
- ✓ High-speed internet with 5G 

Red Essential

10 GB

€ 27.00

- ✓ Unlimited calls and texts 
- ✓ High-speed internet with 5G 

<p>Start XL</p> <p>3 GB</p> <p>✓ 5G add-on available ⓘ</p> <p>✓ 150 min. Calls / unlimited text messages ⓘ</p>	<p>€ 18.50</p>
<p>Start L.</p> <p>2 GB</p> <p>✓ 5G add-on available ⓘ</p> <p>✓ 150 min. Calls / unlimited text messages ⓘ</p>	<p>€ 15.50</p>
<p>Start M</p> <p>1 GB</p> <p>✓ 5G add-on available ⓘ</p> <p>✓ 150 min. Calls / unlimited text messages ⓘ</p>	<p>€ 12.50</p>

And Vodafone charges €2.00 for 200MB out of data.

So, KPN (€7.99) and Vodafone (€10.00) do charge more than the \$4.99 that DENT eSIM users are paying (with 365 days validity). Hence, at first sight, there is room for a reseller to sell “out of bundle” data to these Dutch users.

But if you look carefully at the bundle pricing, you’ll see that for a user who goes out of bundle a few times a year, this user is better off by just increasing his bundle as the marginal costs for having extra data each month are very low.

Especially for the “heavy” users. For example, with KPN, the difference for 5GB per month or 15GB is €7.50 per month, just \$0.75 per GB. And for Vodafone, an upgrade from 10GB to 20GB per month, is just €4.00. Hence, €0.40 per GB.

And if you compare these “upgrade” amounts with the current DENT eSIM data plan pricing, it’s a no brainer to choose for the upgrade.

So, what this example shows is that if users already have chosen for a monthly subscription plan, and will go out a bundle a few times, they will prefer to upgrade instead of buying additional (incidental) data from another global eSIM provider.

Hence, the reseller can ask himself “How big is this out of bundle market anyway?”

That said, the Bunq CEO also must look at other global eSIM providers who compete with the DENT eSIM data plans.

Well, let’s have a look at esim.db, a price comparison site and see who the competitors are and what they charge for data in the Netherlands.

15 eSIM providers found
107 eSIM prepaid data plans found

Advanced Search price/GB: Low to High

PROVIDER	PLAN NAME	SIZE	DURATION	PRICE/GB	PRICE
RedteaGO	Netherlands	1GB	15 Days	US\$ 1,00	US\$ 1,00 (\$1.00)
RedteaGO	Europe (36 countries)	1GB	15 Days	US\$ 1,00	US\$ 1,00 (\$1.00)
Truphone	Netherlands	5GB	30 Days	US\$ 1,20	US\$ 6,00 (\$6.00)
Truphone	Netherlands	3GB	30 Days	US\$ 1,33	US\$ 4,00 (\$4.00)
Airalo	Eurolink - 100 GB	100GB	180 Days	US\$ 1,85	US\$ 185,00 (\$185.00)
Truphone	Netherlands	1GB	30 Days	US\$ 2,00	US\$ 2,00 (\$2.00)

As the RedteaGO plans are trial offers, just look at Truphone.

So, Truphone has 3 data plans with 30 days validity: 1GB for \$2.00, 3GB for \$4.00, and 5GB for \$6.00.

Well, if you compare that with DENT eSIM, 1GB for \$4.99 with 365 days validity, most of the people will prefer Truphone above DENT.

So, after this quick analyzes, the Bunq CEO sees no "business case" to offer the DENT eSIM plans as a reseller in the Netherlands. And as for many countries in the EU the pricing is about the same, he also sees no possibilities for the other EU countries.

Case closed...

Now let's look at the margins and pricing structure involved with setting up a reseller program.

Effects of using a reseller model

If you looked at the marginal sales prices that are being used by KPN and Vodafone in the example above, and used competitive pricing by Truphone, you probably would see that the current data prices as used by DW will be much lower in the near future at least in many countries in the EU.

So, let's make it simple, and assume that DW and other MVNOs can on average buy data for \$1.00 in the 75 supported countries. So, that's the average cost price for DW.

Now, assume that DW and the reseller both want to have a markup on cost price of 30%.

So, the average consumer sales price will be about \$1.69 per GB, where the reseller must pay \$1.30 as purchase price to DW.

But what happens if Truphone or any other direct selling MVNO (without using resellers) just is happy with 40% markup margin?

Well, Truphone will sell directly to consumers for \$1.40 while DW and the reseller are charging \$1.69 per GB. So, who will win the competition?

And what can DW do?

Well, they must lower the sales price to \$1.40 or below to compete.

But if DW still wants to have resellers being active who want to make a markup margin of 30%, well DW must lower its reseller price to \$1.08, leaving just a small profit margin.

And if Truphone is happy with the same 30% markup margin and uses a consumer price of \$1.30, well DW doesn't make any profit anymore.

So, this is an easy example what can happen in a (highly) competitive market as mobile data.

Or to say it in other words, there is no room for resellers. Or only in case when resellers accept exceedingly small margins themselves.

And if that's the (expected) case, DW should carefully consider whether a reselling model is such a good idea.

Maybe an easy affiliate program for partners is sufficient.

At the moment, probably there is room for a reseller program, but what about if competition increases and prices are getting lower and lower?

And this is not a theoretical case as you can see by analyzing the marginal sales prices in the Netherlands that consumers must pay for extra data (remember the \$0.40 per GB for Vodafone).

Conclusion

Although, I like the idea of setting up a Gigastore and allowing resellers to sell DW's eSIM data plans, at the moment, there are too many questions unanswered to get an idea what kind of "Developer API Portal Beta" the team has built (or is building), and in which cases this portal can be tested and used.

If I were a potential reseller (and I'm), I should first want to know a lot more before I would spend my time and energy with testing.

But as the Bunq Business case shows, in most of the EU, the current price settings are not competitive enough if you look at Truphone's pricing structure.

Also, note that the current DENT eSIM data plans support 75 countries where half of it, 37, are in the EU.

Plus, it's a big question whether there is sufficient room for a resellers model as resellers also want to take a piece of the margin between DWs purchase price and the consumer price. And there are other global eSIM providers, who are direct sellers, who don't have to care about their resellers, and don't have to split the margin.

Let alone, that for resellers it's risky to keep a huge "stock" of DENT eSIM data plans if they expect the prices to go down and won't be compensated by DENT Wireless.

Plus, I don't like it if QR Codes are being used where new users don't have access to all DENT App benefits, simply because they don't use the app. Hence, I prefer using redeem codes.

So, I'm suggesting to the team to reconsider the reseller model, and to first answer all the example questions, and have a strategy in place to be competitive enough in case of more competition and decreasing margins as by using a reseller model, DW has to split part of this margin.

But if the team still want to continue with the reseller model...

I'm advising the team to come up with an article or landing page where a potential reseller can clearly see "what's in it for me?" and what is being expected from the reseller during the pilot/test.

As extra, there should be a contact person and some kind of form where the reseller can give some info to see whether there is a fit or not (but not without explaining first what DW expects from a reseller).

And this page should not just be created for attracting the testers, but as first start to acquire new potential resellers.

For the same reasons, there should be "info pages" for all the upcoming new distribution channels as the MVNO Cloud Stack, the IoT/M2M platform, for

Businesses who want to do a data “give away (Indonesian Consumer Good model), and all other “partners” who want to get more info.

Personal note:

I know the team is capable and has lots of experiences, but I wrote this report with the information we have as token holders and potential resellers. Maybe, there is more info that is and will be shared with potential partners, and of course the team has thought about many aspects, but for this report I just assumed there isn't.

So, the tone of this report is a little negative, but I couldn't find another way to explain my thoughts. This tells more about me than about the team. Hence, I hope that if the teams read this, they can overcome their feelings, and just look at the underlying arguments and don't take it personal.

Also, I didn't write this report to create FUD or a negative atmosphere around DENT Wireless and the token, but as a possible way that an average potential reseller and DENT token holder can look at the current status with respect to the reseller model.

Again, by being more transparent the team can probably take several of our concerns away.