



## CASE STUDY

# How mobile operators can quickly build recurrent revenue from life-saving NB-IoT smoke alarms

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Mobile operators are developing smart home offerings to complement their existing mobile communications business. Yet they can struggle to generate meaningful revenue from standalone products such as home alarms, cameras, sensors and more. This case study illustrates how mobile operators can build a recurrent revenue business by integrating subscription-based, all-in-one smoke and carbon monoxide detection products into their smart home portfolios – exploiting existing connectivity technology such as NB-IoT. These products offer a compelling use case for operators: they provide easy-to-manage IoT solutions that save lives.

Eldes Alarms has been active in the smart security and fire detection industry for over 16 years. The Lithuania-based company operates a subscription-based model that ensures recurrent revenue streams for its partners, and in turn enables them to expand the reach of life-saving products across their customer base. To build this strategy further, the company developed a smart, all-in-one smoke and carbon monoxide detector called Fumerex.

Fumerex was created to give people a much better chance of surviving domestic fires as well as carbon monoxide poisoning by gas appliances. With a growing focus on safety in the home, smoke and carbon monoxide detectors are becoming a must-have device for every household. Although fire protection is regulated at European Union level, the problem continues to cause about 5,000 deaths each year.



## Going to the muun

Fumerex is a stand-alone alarm system that is designed to be easily installed in homes and works directly with the alarm receiving centre – providing a consumer friendly product that helps drive subscription-based businesses.

Following a successful collaboration on the distribution of Fumerex with security company G4S Estonia, Eldes is now introducing an enhanced version of the product under the muun brand. This next-generation plug-and-play product will support the next stage of Eldes' go-to-market strategy for the mass market, using service providers from different sectors as partners on the ground.

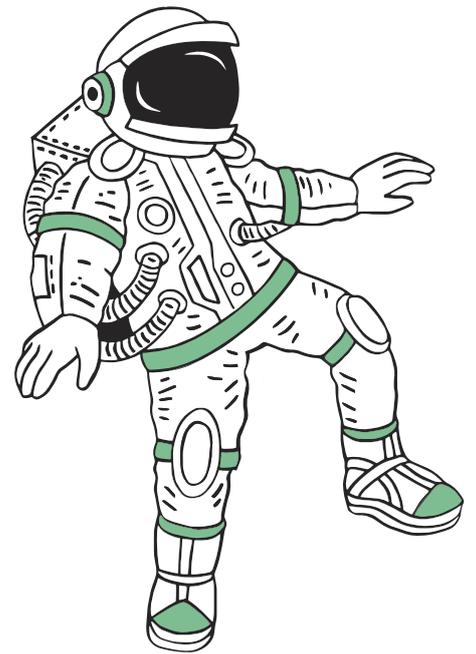
This presents a new opportunity for mobile operators in particular. Operators can insert their own SIM cards into a muun device and sell it as a white-label product that is fully

integrated with their smart home and consumer IoT strategies. Because it's based on lower power Narrowband-IoT (NB-IoT) technology, the muun battery life is ten years.

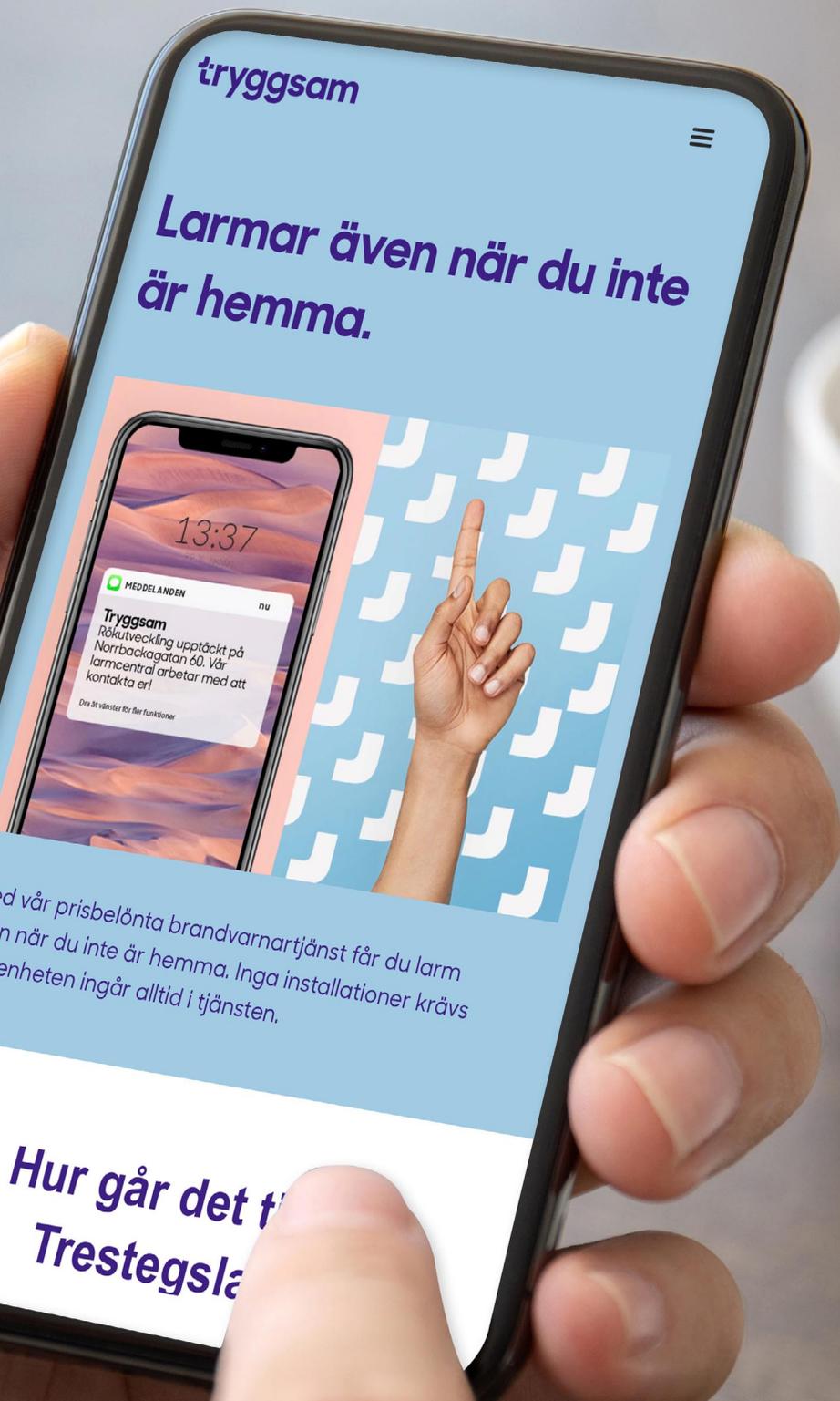
muun is currently at the certification phase and is set to go into mass production in the second quarter of 2022.

In the meantime, Eldes has already built up a solid track record through its work with security and home alarm specialists such as G4S in Estonia and Tryggsam in Sweden. Its approach has enabled both partners to sell products on a monthly rather than a single, upfront payment basis – by wrapping a service layer around the products they support.

It is not always easy to transition to a subscription-based model with value-added service support. Below, Eldes illustrates how a product-as-a-service approach enables its partners



to go to the next level in their business growth strategy. Eldes' aim is to help its partners achieve their own business goals, and it looks for strategic alignment with all the partnership agreements it strikes.



## Fire fighting

Tryggsam was founded in 2013, with the goal of making daily life safer for people. The same force drives it today: to create smart solutions for a safe, everyday life.

Fire can destroy lives and livelihoods in minutes. A perhaps less-known fact is that most fire-related deaths are not caused by severe burns but by smoke inhalation. According to Tryggsam, in Sweden more than 23,000 fires in homes are reported to insurance companies every year. Over 6,000 of these fires have become so serious that the fire service has to be called.

Eldes and Tryggsam worked together to build a fire monitoring business that now protects tens of thousands of people. According to Tryggsam, the “exceptional stand-alone fire protection solution” from Eldes has enabled it to offer high quality fire-protection services to its customers in Sweden.

The collaboration with G4S Estonia, meanwhile, provides a textbook example of Eldes’ highly engaged approach to partnering. G4S Estonia was looking to increase service revenue for its alarm receiving centre (ARC) business and wanted to bring more connected security protection, fire detection products and ‘products as a service’ into the local market to help serve additional devices via its ARC.

## The NUBLU effect

In Estonia, G4S markets the Fumerex product under the NUBLU brand. At the start of the business collaboration, Eldes worked with G4S Estonia to deliver its unique branding and packaging requirements, even shipping the products pre-loaded with a G4S Estonia-supplied SIM card that was pre-configured to ensure an easy network connection to G4S Estonia's ARC.

Eldes also provides a customer product support team, which is on hand to train a partner's technical teams and provides a form of second-line support for customers. In addition, Eldes has an established customer onboarding procedure: the returns merchandising and authorisation (RMA) procedure and support process.

As a result of this close collaboration and strong customer engagement, NUBLU-branded smoke and carbon monoxide detectors are now live in homes and businesses across Estonia. What's more, that number is growing by a rate of up to 240 per day.

## Saving lives

G4S Estonia says there are some key reasons why its partnership with Eldes has been such a success. First and foremost, the collaboration between the two experts has helped save many lives. In under two years, connected NUBLU smoke and carbon monoxide detection devices have been deployed in more than 48,000 Estonian households.

During this period, G4S Estonia has received numerous reports and



messages from customers that attest to how their NUBLU device alerted them of danger. Stories about families that have been saved from fires or gas leaks even made it into the local media.

G4S Estonia has also made excellent use of strategic marketing campaigns to get the word out about the importance of smoke and carbon monoxide safety. Furthermore, these campaigns played a major role in establishing NUBLU's name and importance in households and businesses.

In fact, NUBLU won a prestigious marketing award in 2019, the Marketing Act of the Year, for turning an everyday item into a desirable brand product – while teaching Estonians about the dangers of carbon monoxide poisoning. Today, smoke and carbon monoxide detectors are becoming

increasingly common in Estonia because of the efforts by businesses such as G4S Estonia.

The success of the campaign was in large part attributed to the use of the NUBLU brand, which is based on a firefighting dog created by the Estonian writer Jaan Rannap in 1972. The dog was brought to the modern-day world in order to introduce the topic of fire safety to consumers in a playful, friendly, and entertaining way – transforming a boring, technical gadget into a friendly and helpful lifesaver.

## Mobile operators and the smart home challenge

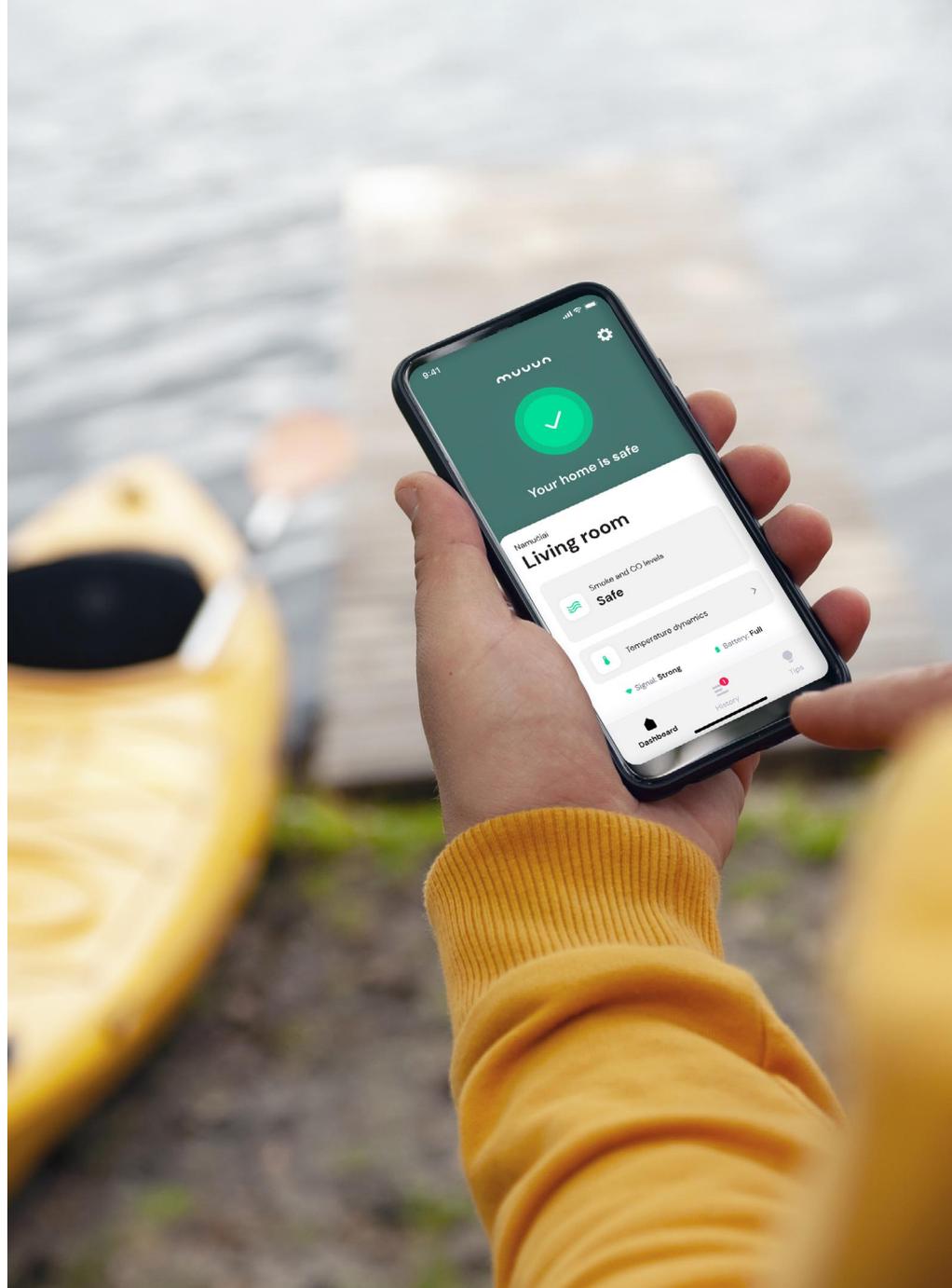
As shown by its partnership with G4S Estonia, Eldes' goal is to collaborate with brands that want to make a difference in the world. Its mission is to provide cutting-edge safety and security solutions to homes and businesses as far and wide as possible. Its brand is currently represented in 70 countries — and it has ambitions to go further still.

Eldes believes that mobile operators in particular will make ideal partners for its business, with enormous potential benefits on both sides. Mobile operators continue to seek new revenue opportunities beyond the sale of fixed and mobile connectivity, and IoT products for the home have long been regarded as an attractive growth market.

Indeed, in the *Mobile Economy Europe 2021* report, GSMA Intelligence said there will be over 1.9 billion new IoT connections in Europe by 2025, with smart homes and smart buildings regarded as two particular growth areas. Total IoT connections are forecast to reach around 24 billion globally by 2025.

Yet as GSMA Intelligence points out in *Mobile Economy 2021*, while connectivity remains a foundational element for IoT solutions, it accounts for a small and declining share of the overall value of the IoT market, relative to professional services and applications, platforms and services.

Operators are now extending their capabilities beyond connectivity to capture a larger proportion of the



overall market, with a focus on expanding their role in the IoT value chain. Eldes believes it can work with operators to build a recurrent revenue business from smoke alarms, which are an increasingly essential product for property owners and residents.

Indeed, the devastation caused by domestic fires and carbon monoxide poisoning is too huge to ignore. According to the European Fire Safety Alliance, more than 5,000 people in Europe are killed by fire every year, while data from the World Health Organisation found

that carbon monoxide has a higher mortality rate than HIV or skin cancer in Europe. Meanwhile, the Association of British Insurers found that fire is one of the most expensive insurance claims, with more than €1 billion paid out to customers in the UK alone in 2018.

We are seeking partners that want to make a significant impact in their country by providing smart smoke and carbon monoxide detectors. Contact us now to find out how we can work together to build a new business that also saves lives.



With over 15 years of experience in the industry, we provide next-generation home security devices that help you take safety into your own hands. Our main mission is to make every home safe and smart, with markets in more than 70 countries trusting us to deliver future-proof IoT devices. We have developed strong commercial partnerships across the globe, and to date, over 1 million devices have been delivered. We are proud to lead the way with the best industry practices in R&D and manufacturing. Our products unite seamless customer experiences with premium technology.

We develop solutions for all elements of safety .

Air – quality control for ultimate comfort in your home.

Home security – protection to secure properties from break-ins and theft.

Fire – our smart fire and smoke detectors keep you at peace at home and beyond.

Water – wireless flood detection accessories protect your property from water damage

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