

5 MINUTES WITH

Doug Fieldhouse, CEO, Vesta Corporation
interviewed by Gene Retske

In the November 15th, 2007 issue of *TPP*, an article, entitled "OnLine Prepaid Wireless Recharge," stated that our research of AT&T's website did not show an option for online recharge of prepaid wireless accounts. To confirm this, we called AT&T Mobility customer service, who told us that we could either redeem prepaid cards purchased in a retail location, pay at an AT&T retail location, or set up a regular monthly payment system. In early January, we received a letter from Doug Fieldhouse, President and CEO of Vesta Corporation, disputing this, and saying that Vesta provides online recharge services for AT&T. He asked to give us his side of the story, and here it is.

GR: So, we may have gotten the wrong information about AT&T's online recharge? Why do you think that?

DF: Vesta has powered online recharges (as well as recharges via the phone, live agents, SMS and handset-based applications) for many of the major wireless and long distance carriers for over 12 years, including AT&T, T-Mobile, Verizon and Sprint in the US and numerous others in Europe and Asia.

GR: What else do you think we got wrong?

DF: In addition, you describe the cumbersome process of recharging using the third party sites that are unaffiliated with carriers, in which "the customer buys the time, gets a PIN...dials a special 800 number, and uses the menu system to go to the area where they can enter the PIN supplied by the reseller." One

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reason that wireless carriers turn to Vesta is that we seamlessly integrate with their platforms, so when the customer completes a transaction online, the funds appear in their account instantaneously without ever needing to use a PIN.

GR: How do you define a hybrid account? Is that one that automatically recharges?

DF: Yes, most hybrid accounts are set up where [the subscriber] agrees to pay a certain amount each month. The most generic description is that a hybrid account is "I sign up for it and I agree that I am going to pay \$29.95 a month, or \$49.95 a month, for a set number of minutes.

GR: And, Vesta provides online recharges for AT&T wireless customers?

DF: Vesta powers AT&T's online recharges for Pay As You Go customers as well as "hybrid" Pick Your Plan customers (visit www.att.com/gophone and click on "refill minutes" to see this capability). Customers can choose between one-time recharges, or schedule auto-recharges weekly, bi-weekly, monthly or when their time is set to expire. Most major wireless carriers offer similar functionality on their websites, and several of these sites are powered by Vesta.

GR: But it is non-contractual?

DF: Exactly.

GR: Can you just put, say \$30, on an account? And do nothing else?

DF: Yes. And, you could do that one time and never do it again. Or, you could go to the store and top it up with \$10-20-30 whenever

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you wanted to, or you could come through Vesta and, again, with no obligation to ever do it again, just a one time top up.

GR: Do consumers go directly to Vesta?

DF: No one knows Vesta exists. We are not a brand. What they would do is call a number they get for customer service and account refill. They then hit an IVR and [follow the prompts] to Vesta's system. We brand it "Cingular" and all the rest.

GR: What kind of trend are you seeing in picking plans, from a consumer point of view?

DF: The trend we see is more and more of the consumers are opting to use the 24x7 channels, over the phone, over the web, or signing up for a monthly recurring payment. There are two ways they do monthly recurring payments. One is 'time of month,' so they might, on the 15th of every month, put \$30 on the account. Or, we also have a low balance program, where anytime they get down to, say, \$3, we take their credit card and add more money. We don't even have to communicate with them.

GR: What about people without credit cards?

DF: The Vesta channel is for people that have access to a credit card, debit card or e-check. We will take anything but cash. The point of sale providers out there, which could be com-

pany owned stores, or the big box retailers or 7-11, places of that nature, will take cash. Safeway will take cash, because you can buy a card with a PIN and transfer the funds. What Vesta has done is to create a real time interface to the platforms so people can electronically, in real time, over the phone, over the web, add value to their phone.

GR: Can they do it over their cellular phones, too?

DF: Absolutely. They can do it directly from their cell phone. We have SMS top up channels. We have built a whole host of handset-based applications.

GR: How would you categorize those consumers that do this kind of one time online recharge?

DF: The general trend you see is that people who end up using more of a pay as you go service tend to be people that are more conscious about managing their budget. They want the flexibility to add time when they have the funds. Also, consumers that are more occasional users. In general, across the different plans that out there in the market, you tend to pay a little bit higher rate when you're in a pay as you go plan. So, that is why these go all the way down to 'glovebox' users, that are just using it for emergency situations or for their kid.

GR: Sounds like youth or the elderly.

DF: Absolutely, so a lot of kids now will buy these phones for their parents. A lot are also going to the hybrid program, meaning they want to make sure there are always minutes on the phone. They want to make sure that there is never a chance their parent can't make a call. ||

Doug Fieldhouse is CEO of Vesta Corporation. Visit Vesta online at www.trustvesta.com.

Epilogue: We revisited the AT&T Mobility site, found where we could reload a prepaid cellular phone of ours, and successfully added \$20 to our account on a one time load.

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