

New firm won't rush to ally mobile services

No timeline for TUC, DTN consolidation

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Despite a planned merger between True Corporation and Total Access Communication (DTAC) later this year, each company's mobile services are not likely to be unified into a single brand for almost two years to provide more time for the transition and ease confusion among consumers, said a True executive who requested anonymity.

This means the merged company will operate two separate mobile service brands for a period of nearly two years.

The source said the two firms have yet to discuss a timeline for the consolidation of True Move H Universal Communication (TUC), True Corporation's mobile services arm, and dtacTriNet (DTN), DTAC's mobile services unit.

Meanwhile, the newly appointed board of the National Broadcasting and Telecommunications Commission (NBTC) plans to reorganise a subcommittee responsible for looking into the merger and devising necessary measures to govern the deal, which was appointed by the previous board. The reorganisation of the subcommittee is expected to affect the timeline of the planned merger.

True Corporation is not a telecom licensee subject to the NBTC's supervision. It serves as a holding firm that comprises various subsidiaries, most significantly TUC, which has mobile licences secured via 3G, 4G and 5G licence auctions.

DTN, DTAC's mobile service subsidiary, also holds mobile licences from the NBTC office.

"TUC and DTN have different customer segments," the True source said. "The merged firm will own the operations of the two brands during the transformation period to ensure seamless operation."

According to the source, mobile market leader Advanced Info Service (AIS) also operated the AIS brand for the premium segment and Digital

Phone as another competing brand.

The presence of two brands under the merged firm would ease difficulties in terms of marketing management during the transition as it would curb any potential confusion among consumers, the source noted.

However, the future of the two brands would still be conceptualised by a central strategy team under the new entity.

Pisut Ngamvijitvong, senior equity research analyst at Kasikorn Securities (KS), pointed out that the operation of the two brands by the merged firm sounds reasonable for a period when there is a need to ensure a smooth transition following the merger.

TUC and DTN will eventually be unified as a single brand once the operation is considered to be sufficiently stable, he said.

"Personally, True is seen to cater for premium segment more than DTN as it has a diversified business portfolio, including 5G network for the mass market, fibre optics, pay TV, fixed broadband and digital solutions," said Mr Pisut.

Meanwhile, a source at the new NBTC board who requested anonymity said the board will hold its first formal meeting today and one of the key agenda items is updated merger information provided by the management of NBTC.

In terms of the subcommittee responsible for looking into the planned merger, Suphat Suphachalasai is chairing it at present due to his position as a commissioner in the field of economics.

The NBTC source said the reorganisation of the subcommittee would inevitably affect the timeline of the planned merger as the panel is responsible for ironing out measures to govern the deal.

True has said its merger plan with DTAC cannot be delayed from its proposed timeline that targets completion by mid-June, despite a reshuffle of the telecom regulator's board.

The True source said the company sent letters to all NBTC board members last week to update them on their merger procedure and reiterate the company's merger timeline.