



# MVNO Solavei, With Its Pay-the-Customer Model, Is Growing

By **Michelle Maisto** | Posted 2013-02-05



As T-Mobile, with its recent acquisition MetroPCS, (<http://www.eweek.com/mobile/t-mobile-metropcs-merger-underway/>) moves ahead with its plans to aggressively pursue prepaid subscribers and what it calls the "value market," it has a growing competitor in Solavei, a somewhat new and definitely unusual prepaid carrier that operates as a mobile virtual network operator (MVNO) on T-Mobile's 4G network.

Solavei debuted in September 2012, offering unlimited voice, texting and data for \$49 a month. After three months in beta, it launched with 25,000 members, and by Dec. 20—when it announced 37-city support for unlocked iPhones no longer beholden to the AT&T network—its nationwide membership had exceeded 100,000. It has

since added another 20,000 subscribers and is growing at rate of 1.5 to 2 percent per day, according to CEO Ryan Wuerch.

While it offers a good deal, Solavei's differentiating feature is its approach to marketing, which makes it seem less like a carrier than a pyramid scheme. The company believes that satisfied customers are its best advertisement, so it would rather give its marketing dollars to them than to a marketing firm.

"We are going to make a difference in people's lives by shifting billions of dollars from traditional mass-media advertising into the greatest advertising vehicle today—people. Solavei is the first company to create an economic linkage between mobile service, social commerce and social networking technology," Wuerch says in a statement on the Solavei Website.

The site describes Solavei not as a carrier but a "social networking and commerce platform."

For every three friends (called a trio) that, for example, Subscriber John Doe signs up, he gets a one-time \$50 bonus. If those friends stay enrolled, John Doe earns an ongoing \$20 per month. As members of the trio sign up their own trios, they make money, but so does John Doe. As the "family tree" of subscribers started by Doe grows, he receives varying amounts of money for each trio added within the tree and rises in a social ranking called the Achievement Path.

Wuerch told *eWEEK* that the plan is playing out just as hoped.

"We now have tens of thousands of people receiving compensation every month," said Wuerch.

When asked whether anyone had reached the top of the Achievement Path, to a position called a "social executive," with a possible monthly payment from Solavei of \$20,000, Wuerch said yes.

"We have a young lady who naturally started sharing, and she now has 30,000 people [connected to her] and she's making \$20,000 a month. There's also a pastor in Tulsa, Okla., making over \$15,000 a month, which is great. The whole mission of the company was to be able to offer savings and give back to people to whom a few extra dollars a month makes a big difference," he said. "During the holiday season, we received hundreds of Facebook messages from people who had literally had their presents paid for [by their Solavei earnings]."

Wuerch said there's also an opportunity for small businesses.

"We have nonprofits signed up, and small businesses, from the local hair dresser to small utilities, where they sign up their employees. For a small business, they're able to provide their people with phones and unlimited service, but they get an added benefit [of the monthly payback]."

Solavei offers unsubsidized handsets with the offer of monthly financing—a practice T-Mobile has also gotten behind—and like T-Mobile allows users to bring any GSM-based phone with them. Through GSM Nation, Solavei offers popular devices like the Samsung Galaxy S III, LG Optimus L9, Nokia Asha 311 and Samsung Ativ S.

When asked whether Solavei, while renting space on the T-Mobile network, is going after subscribers T-Mobile would like for itself, Wuerch suggested that there are plenty of customers to go around.

"The way we look at it is, there are 300 million mobile phone users out there ... Our price is competitive, we're offering one of the strongest voice and data offerings, and we're the only one where a subscriber can potentially get his or her monthly service for free."

**Follow Michelle Maisto on Twitter.**