LTE DATA REVOLUTION
Technical Session
May 5th, 2016
A Quick RECAP
Market Trends

Data traffic expected to see a ten-fold increase by 2019. Subs and SIM numbers growing.

High investments in the infrastructure, ongoing (LTE rollout, 5th gen ahead)

Smartphones dominate, enabling new services and catering data hungry applications.

The apps, content & advertising business is realizing significant revenues in the ecosystem.

Traditional voice and SMS revenues erode. Revenue growth only 3.1% CAGR through to 2020. - GSMA

LTE is expected to create new revenue streams, extend capacity, build brand - Informa

Threatened to become commodity and loose profitability at the same time.
THE OTT WAR

The acceleration of OTT

- kik: 50 Million Users
- WeChat: 100 Million Users (Int)
- QQ: 300 Million Users (China)
- Twitter: 255 Million Users
- Google Fiber: 40 Million Subscribers
- Netflix: 100 Million Users
- Amazon: 130 Million Users
- eBay: 230 Mio Active Buyers

- 1.2 Billion Users

Telecommunications

Telecom companies count $386 billion in lost revenue to Skype, WhatsApp, others

by Erik Heinrich JUNE 23, 2014, 11:34 AM EST

Financial Mail

OTT eating into revenues of operators ‘fatal’: Martin Peters

Business - Industry

New Delhi, May 30, 2015

Updated: May 30, 2015 23:39 IST

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Disruptive Analysis

Don't Assume

If you can’t beat ‘em, join ‘em.

The key is not for operators to fight against the OTT players but rather to find and develop the profit pools where their particular capabilities offer the greatest chances of success.

It's not 4G driving a change but the services which operators would launch with it which will make a difference.

LTE is expected to create new revenue streams, extend capacity, build brand Traditional BSS were built to deal with voice and simple data, but the BSS for LTE need to accommodate the characteristics of the new services, the associated network signaling traffic, and the ecosystem dynamics that make tariff innovation and new business models critical to operators’ future commercial success.
The Key For LTE Monetization

From generic offerings to value based offerings.

Allow experimentation with innovative tariffs and differentiated products / upsell options on a flexible platform

A BSS Eco System for Sponsored Data Charging, promotions and Settlement with OTT partners.

Real-time Access
nothing offline

Social, connected customer.
Needs
fun to engage.
Gamification.

Works. For Me.
Transparent services providing personal value now. Pick, mix and share

Flexible Partner
expected to fit the customer, & the OTT.

Empowered &
I want and I can. Pick & mix, share, sell.

Ubiquity of devices, internet of things arise and change volumes & patterns dramatically

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The “Smarter” Data Monetization Approach for Digital Customer

everything contextual and on my device

DIGITAL customer EXPERIENCE

Overview

Current Balance
3,08 €

Options:
- Turbo
- Activate turbo
- Book
- Book an Appointment

My Profile
Customer: Anna Paqs
Contract: InnoCamp12
Mobile Number:

Buy a Package
Would you like to buy the following package?

Data EU 100
0.99 EUR

Options:
- Buy
- Cancel
The Making of a Digital Service Provider

- Digital Service Provider (DSP)
- Internet

- Authentication & Activation
- Wireless Connectivity
- Product Catalog
- Real-time
- Revenue Share billing
- Retail Billing & Balance Management
- Analytics
- Targeted Marketing
- Omni Channel
- Recommendations
- Social Media
- Apps
- Online Care
- Offers & Promotions

DIGITAL REVOLUTION

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Differentiate On Speed / QoS

Needs and value is different:
› QoS / speed tiers
› on demand or application specific QoS
› guaranteed QoS of partner content / apps

You can also differentiate on
› payment behavior, loyalty status, group spending...
› demand and available resources

Temporary QoS
Inverse turbo - on demand QoS reduction, reduced QoS reduced volume is counted.
Customers can actively manage the QoS – save resources, save money.

Device Specific QoS
QoS differentiation on a device-, instead of customer basis.
Differentiate between devices of the same customer, under the same plan – e.g. multi device plans.

Demand Based Dynamic Data Rates
Align data tariffs and promotions to network traffic / resources indicators.
Network traffic indicators can be updated over external OSS systems.

CSP examples, as advertised on own web presence
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Differentiate By OTT / Application

INTRODUCING BINGE ON™

Video now streams FREE without using your data, only from T-Mobile.
Available on November 15th

Now you can stream all you want for FREE without using your data.

In October 2015 were adopted the first EU-wide Net Neutrality rules.

Quality differentiation on the Internet has long been common practice. ... In future there will also be the option of booking a service with assured quality in exchange for a few more euros.

Personalized plans based on OTT awareness

› Preferred partners are for free
› But some apps aren’t included, e.g. YouTube
› Policy control needed to guarantee QoS beside charging

Application based charging according to 3GPP

› Option for new revenue streams while optimizing network infrastructure
› Internet traffic can be treated differently (e.g. throttling)
› Identify the subscriber, the application, content and device
Shared data is great. We see plans to extend to:

› sharing over communities
› social gifting
› social recommendations
› crowd sourced care

Community Sharing
A donator shares a portion of his allowance – to a community. The shared amount is made available to all users of the community.

Donator can be part of the users – but does not have to be (charity)

Gift CARRY OVER
Use carry over to motivate purchase of larger bundles.

Allow on conditional, on demand sharing/ gifting of carry over allowances.

Crowd Sourced Care
No call center – just community (and supervision)

Rewards for support (rating of support activity - earn your monthly fee back)

Rewards for referrals
Try & Buy, Loyalty

Trials prove value – once it ends subscriber can opt in for regular services.

Loyalty programs combined with more generous mobile data handling – e.g. omitting QoS reduction, providing an excess amount at the end of a booster pack.

Loyalty programs, extended to 3rd parties.

Try & Buy, While The Stock Lasts

Trial products with capabilities to manage their lifecycle, allowing automatic / conditional renewal.

While stock lasts promotions, limiting the number of available products.

Realtime Loyalty Programs

Realtime experience while earning / spending points & personalized coupons. Managing loyalty status and benefits.

Options to integrate with 3rd parties.

Customer Value Score

Constantly updated for each customer based on KPIs, based on current usage and history.

Allows targeted promotions, is available for CRM to optimize care processes.
SUMMARY

Differentiated products
From generic offerings to value based offerings. Experiment with innovative tariffs. Tailored, contextual offers to the right individuals.

Customer Focus
Aim to delight. Obtain better customer insight with real-time view. Understand the customer and contextual value. Engage, not broadcast.

Efficient & Agile operations
Solutions handling the exploding data amounts. Virtualized based systems. Extremely fast time to market. Optimize operations to ensure agility.
KEEP CALM AND Enjoy LTE