

Meet the challenge of convergence

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The challenge of multi-play networks and the new IP Multimedia Subsystem (IMS) environment for service providers will be to upgrade legacy infrastructure in a way which does not increase service complexity, while at the same time innovating and adapting to new market requirements for terms of pricing strategy, user segmentation and payment methods.

Laurent Lafarge of eServGlobal examines ways you can approach these challenges while ensuring an effective return on investment.

The move to convergent networks renders the business environment more complex as new players, such as Google, Yahoo, Microsoft and Skype, enter the market and customers demand more services. These players aim to break the traditional telecom model by proposing an Internet type of approach where the intelligence is moved from the core to the edge of the network.

The business model has evolved from a simple subscriber-operator model, to include secure payment providers and other third-party application providers. The market model has also changed from selling one set of products to a wide market, to offering a far greater range of customisable services for users. With fragmentation of market segments, a move towards personalisation has emerged. The growth in the number of market segments means a single tool is needed to manage the billing and charging requirements of multiple segments. It is no longer worthwhile having separate tools for each segment.

IMS would appear to be a killer architecture to fight against Internet players. Beyond the important capex/opex savings, it also provides the tools to ensure the most important part of the intelligence remains at the heart of the network.

IMS standards have the potential to benefit and be deployed in fixed and mobile networks. IMS promises opportunities to reduce your costs, increase revenue and cross-sell new services to an existing customer base – you can offer an improved user experience through a greater range of services, such as push-to-anything (the latest development in Push-To-Talk), instant messaging applications and video, and also voice services such as videoconferencing and collaborative working.

We must remember however that IMS is not just a set of new interface standards which allow increased sharing of information between services, it is a new architectural approach to the delivery of services, whereby the same application environment can be used to support many services. The benefits are that services only have to be created once, and time to market can be reduced.

At the same time billing convergence allows you to consolidate infrastructure, marketing, your client base, and your customer care. It allows you to stop treating your pre-paid and post-paid consumers as separate markets, and allows all services to be marketed to both segments. You will be able to run more promotions targeted to specific user segments depending on usage or user characteristics, i.e. age groups, usage patterns.

Hybrid Tariff Plans

In a recent project in Eastern Europe, eServGlobal saw the emergence of a third segment of the market. This is a segment which benefits from using both pre-paid and post-paid methods of payment. Users may subscribe to a certain amount of post-paid credit, but then supplement this with pre-paid credits, whether through vouchers or mobile POS payments.

This new segment is attracting young people from wealthy demographics and more mature users from poorer backgrounds. These are regular users of the providers' services however they are unwilling or unable to sign up to a regulated credit agreement with the operator.

Consequently, offering your users the ability to combine pre-paid and post-paid elements will increase usage and produce additional revenue. This will require you to offer your subscribers a greater range of payment options to facilitate uptake. A new billing approach is required to support these new services, incorporating data-sharing between different applications and real-time billing.

Fixed/Mobile Convergence

Fixed/mobile convergence means the technology is now available to use only one phone on both the internet and GSM networks. Users can have a single number to use for all their calls, whether at home or travelling. From a marketing point of view, this requires designing attractive tariff plans for users when they are at home. It also requires the use of location services to determine what tariff plan applies, and a versatile charging and billing system which can support hybrid tariff plans.

The trigger for the tariff plan is no longer the market segment, but depends now on location or payment method. eServGlobal provides a flexible charging solution to support all the different packages that you may want to offer your clients.

Additional Billing Needs

In this rich and competitive environment, there is a need to provide incentives and promotions to subscribers. For example subscribers may receive an airtime bonus after watching a certain number of advertisements on their IPTV or mobile TV. Therefore this type of approach allows the roll-out of the "new model" of sponsored calls.

New business models such as revenue sharing, sponsorship, and advertising should be supported as well.

More services on offer, more combinations between land, mobile and Internet platforms, more varied content combining voice, images and video, more business segments and more players in the value chain: all this requires a simulation, pricing and billing solution capable of integrating numerous value-added criteria, one that is extremely versatile, interchangeable, and naturally compatible with IMS architecture.

eServGlobal offers a mediation layer between legacy systems and the new services emerging from different types of convergence. This is a pragmatic solution allowing you to leverage your current infrastructure for the new environment.

Talk to eServGlobal about a convergent billing solution that meets the needs of your network. eServGlobal can also offer solutions that allow you to increase the range of payment options for both pre-paid and post-paid users, and design and implement promotions targeted at any user segment.

About Laurent Lafarge

Laurent Lafarge has a 21-year track record of leadership within the high-tech industry, at companies such as Control Data, Unisys, Tandem and Hewlett-Packard. Prior to eServGlobal, he was the Chief Operating Officer at Netcentrex Comverse. He has also been Vice-President Europe and Managing Director of Lucent Technologies France and Belgium.

About eServGlobal

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