

Multi Services Offering A Must in the Exciting New Indian Pay Market

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The current video market in India is witnessing aggressive plans by telecom operators to offer broadband and video services along with traditional voice service leading to offer Triple play. Incumbent operators have upgraded their networks and some new operators have come up by building statewide, nationwide optic fiber networks aiming to provide all three services in one conduit. Also there are other models emerging such as virtual network operators (VNO) who are using the incumbent telecom network to launch triple play services. Then there are our new DTH operators offering video and gaming services and also it is envisaged that a few more DTH operators will hit the Indian skies. This will mean considerable dent to the video service pie currently being enjoyed by the Multi System Operators (MSOs). Due to these changes in market dynamics, now, we have the traditional telecom, new age telecom, VNO, DTH, MSO and cable operators competing for the Indian video market.

It goes without saying that the MSOs are leading the video business at this point of time, as they are the traditional video players and well versed with the rules of the game. Convincing programmers to acquire content, packaging & pricing, getting & staying legal, distribution network are their strengths while they are challenges for the new operators. However these new operators will offer more than the traditional services to compete and

move ahead. Video on Demand, Pay per view, gaming, e-learning, video conferencing, interactivity are the kind of services that may bring the actual competition to the MSO video business in the long run.

WAY TO GO

The MSOs in India have already shown the first signs of response to the competition by acquiring cable operators to expand their network, while some have gone ahead and announced their plans to offer Internet & Voice over IP along with video service. It appears that Indian market will soon become a level playing ground with every one steaming to offer multiple services irrespective of the distribution medium. Conventional boundaries of demarcation will cease to exist as businesses cross the line in the drive for market capture. Offering multiple services though on one hand increases the average revenue per unit (ARPU), it will on the other hand make

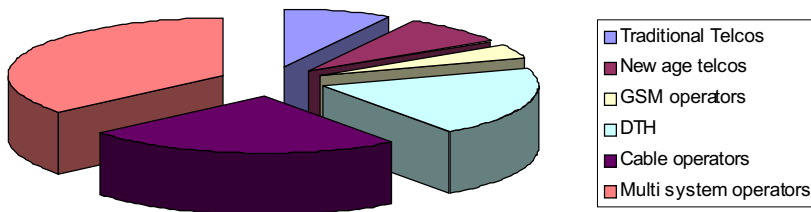


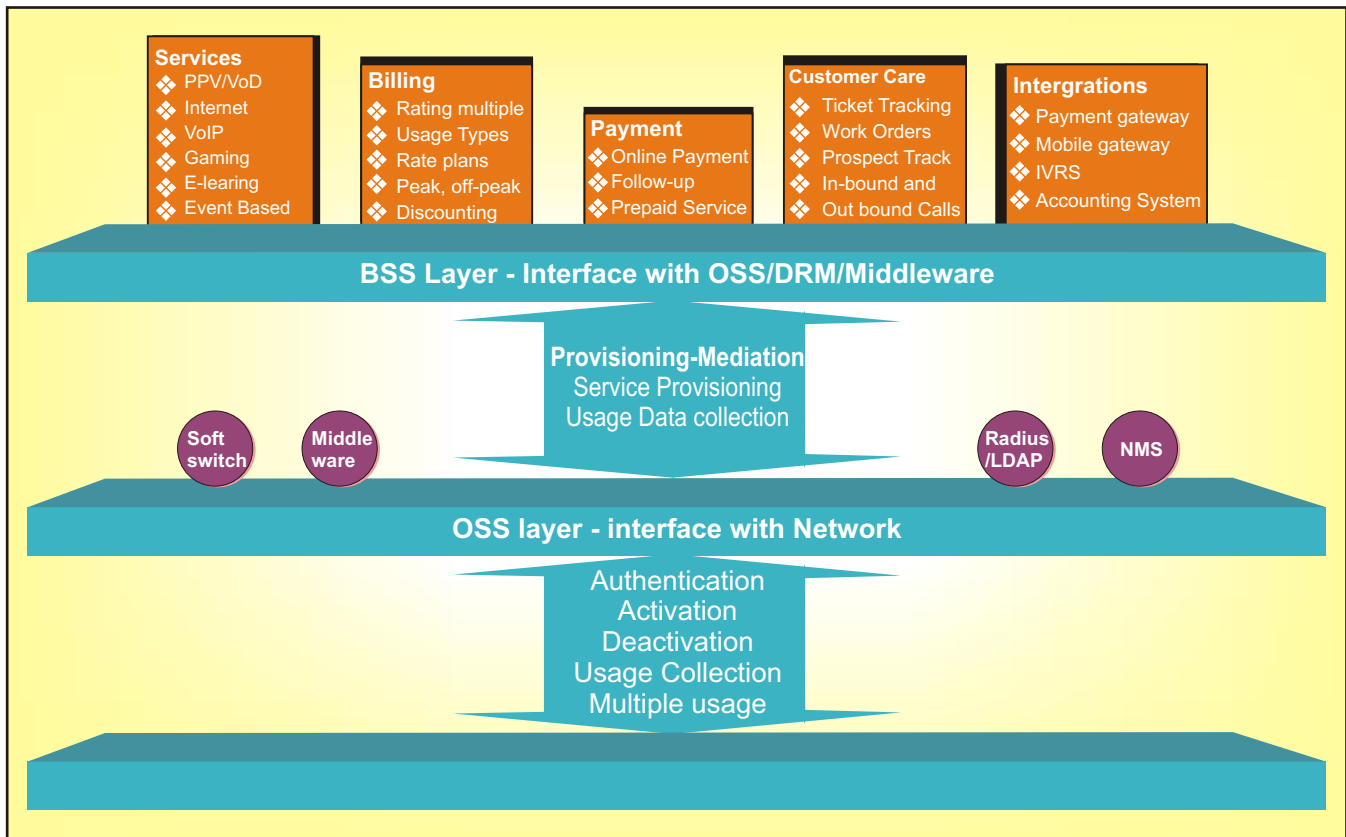
the businesses complex and will bring in myriad challenges. Are MSOs prepared to handle these challenges? Well, we try and evaluate these challenges and how they can be addressed.

MULTIPLE SERVICE CHALLENGES

Right from launching the service, activating subscriptions, to deactivating is much different form the traditional way of operating for single service. There would be several challenges related to business and technical

Illustrates the type of operators competing for the Indian Video market





infrastructure challenges in managing multiple services. Launching a new service would involve ensuring network capacity, having OSS to control service delivery and integrate the OSS with BSS for automating service activation and deactivation. Such business challenges could be broadly classified into marketing of services, revenue leakage and customer experience.

- Content acquisition
- Rollout services quickly at the right time
- Market new service to existing subscribers
- Automate subscription activation to reduce subscriber acquisition time
- Provide services in prepaid and postpaid models
- Control and minimize revenue leakage
- Manage content settlements
- Provide convenient payment methods

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Deliver best customer experience

Content acquisition and settlements may not appear to be challenges for the MSO perspective, but rolling out other services such as internet, gaming, voice over IP and billing for these services will definitely be areas of concern. The major difference is that these are all usage-based services as opposed to the video

content, which is traditionally offered on a flat subscription basis. Hence the subscriber management and billing system, which the operators chose should be able to bill multiple services based on subscriber's usage.

TECHNICAL CHALLENGES

Network capacity available for additional services, capacity of each service and the number of users that a Network operations centre can handle, are some of the network related challenges. Hence the service provider need have the necessary network infrastructure for delivering multiple services. Assuming that the network

infrastructure is taken care of, we will discuss the technical challenges that operators would face in day to day operations.

Each of the above business challenges may mean several underlying technical challenges. Controlling revenue leakage may mean having reliable Operating Support Systems (OSS) in place, which would collect the usage of multiple services and a Business Support System (BSS), which can accurately rate the usage and bill the subscriber. It becomes even more critical in prepaid model where the subscriber needs to be restricted from exceeding his limit. Some of the broad level technical challenges in delivering multiple services are:

- Provisioning/Fulfillment of multiple services

- Accounting the usage of multiple services

- Integrating with Middleware

- Integrating BSS with provisioning & mediation OSS components to automate “switch on” and “switch off” of multiple services

- Integrating BSS with payment gateway and mobile gateway to enable online payment and prepaid top up

MANAGING THE CHALLENGES OF MULTIPLE SERVICES

To address the challenges of multiple services, the service provider should have a reliable network, Operation Support System (OSS) and a proven Business Support System (BSS). As illustrated in the picture, the network layer ensures the delivery of the respective services, the OSS makes the network intelligent in a way, ensuring what to deliver and whom to deliver, while the BSS drives OSS and takes care of rating the usage data collected. Seamless integration within these various layers is highly important to successfully address the business and technical challenges.

Assuming that we have a reliable network and OSS, we will evaluate what should ideally constitute the BSS to address the multi services challenge. It requires a proven Customer Management and billing solution that supports

- Subscriber Self care

- Rating of multiple usage types

- Event based billing as well as flat rate subscription billing

- Content settlements

- Extensible Service Fulfillment Framework

- Credit Management

- Accommodate post and prepaid models

Integration with various components for automating “switch on” and “switch off”

The system should also provide a full range of discounting options, promotions and incentives for existing subscribers, as well as a full range of payment options such as online, prepaid cards. In addition, cross product packaging and bundling capabilities are particularly important to promote the additional services of voice and data.

Having said so, we need to consider the time and effort that would go into managing such systems. Operators would want to focus on their core business rather getting into issues of managing the OSS and BSS systems. There are proven models of outsourcing this function to specialists in these domains. This would enable operators to concentrate their efforts and resources in areas such as marketing and network expansion, while utilizing the vendor's infrastructure and back office expertise

MAGNAQUEST ENABLING TRIPLE PLAY/IPTV

MagnaQuest's rich experience from its deployments supporting leading DTH & cable video, broadband and VoIP service providers across the globe enables it in meeting multi-service business and delivery challenges of Triple Play/IPTV. Its MQSubscribe™ solution is designed for service providers who want to generate additional revenues by introducing value added services. MQSubscribe™ is a scalable, flexible and built on open architecture to support service providers as they grow in services and subscribers. MQSubscribe™ has an extensible rating engine which enables service providers to swiftly define, price, rate and bill for an unlimited number of usage & convergent services. In addition, service provider can benefit from a range of added features such as multiple services provisioning & mediating, pre-paid & post-paid billing, subscriber credit management, content provider share, EPG update and integration with multiple third party systems.

CONCLUSION

With the influx of new operators, offering multiple services will soon become a must. Operators need to move quickly and differentiate by offering attractive service bundling, pricing, and of course the best customer experience. Adding to business initiatives such as aggressive sales & marketing, network expansion by operators, deploying a proven OSS and BSS would reduce the time to market and enable operators to acquire greater market share.

