



EXPERT OPINION:

Put an end to 'bill shock'

Many of us have had that dizzying moment of shock and confusion — we've just opened the bill from our service provider, only to find that it totals hundreds of Euros more than we were expecting. As Tomas Kovar writes, we race through each line item, until our eyes alight on an entry showing dramatically inflated charges for roaming.



The author is HP's Tomas Kovar.

Shock is quickly replaced by disbelief and then rising anger towards the service provider that has, we feel certain, unfairly socked us with these unexpected charges. Repeat that experience several million times over, and you've got the situation that our industry is currently facing.

Paying the price of extreme data usage
Data usage has gone through the roof. Devices such as the iPhone, Blackberry and the like have penetrated the market, bringing new excitement and an enriched service experience to communications and media services. The trouble is that most users are unaware that these devices are using data at a staggering rate. The result is that both enterprise customers and individual consumers are experiencing 'bill shock'.

Analysis shows that a single iPhone can use 30 times the bandwidth of a basic handset. A mobile broadband aircard-equipped laptop can generate 450 times the traffic of a basic phone. Further confusing matters, there's often little correlation between the amount of time spent online and the bandwidth being used by subscribers. Already, we've seen typical users pushing something around 10 times the data usage as those accessing their communications and media services through other devices. When these users roam, the charges quickly add up. If we in the industry are surprised and dismayed by the roaming charges that can result from such data usage outside our home areas, just imagine how less technically-savvy consumers are feeling.

The regulators get on board
Adding to the pressure in the European Union (for now, although we can likely expect this to follow in

other regions), is the introduction of the new article 6a, section 3, into the EU roaming regulation in June 2009. This article mandates that by March 2010, service providers will give their roaming customers a free automated mechanism through which they can receive information on their current level of consumption. Consumers must also be alerted when they are close to exceeding the limits they specify, as well as the costs of exceeding these limits. Further, this regulation guarantees that, unless providers receive the user's explicit consent, the costs of regulated data roaming services over a specified usage period must stay within a specified financial limit of €50.00.

Turning the mandate to your advantage
The legislation was implemented in response to strong consumer complaints, as users found themselves faced with roaming charges that went as high as five figures. The quickly-approaching deadline requires an immediate response. However, rather than seeing this mandate as a negative, forward-thinking communications and media service providers should recognise it as the opportunity to better serve their customers and stand apart in the crowded marketplace. ▶

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Clearly, it is in no-one's interest to have unhappy customers. Nor is it in our interests to have customers who are hesitant to use their advanced services because of the fear of getting hit with a big bill. Implementing a way for consumers to transparently manage their roaming charges and improve control over their usage will increase their confidence in using the services wherever their lives might take them, which should drive improved ARPU.

Moreover, such a system will also give service providers a better understanding of their customers' roaming patterns, which can then be used to offer promotions that are more likely to generate strong returns. Further, operator costs can decrease through fewer customer claims and lessened demand on call centre personnel.

Getting to the solution you — and your customers — really need

The workflow for managing the required solution has much in common with real-time charging workflows. Typically, this entails filtering out the roaming request for a particular subscriber, and then checking that user's current accumulated usage. This is similar to checking the credit balance for prepaid users.

Depending upon the result of this check, access may be granted or denied. Additional actions are taken when the prescribed limit is approached, and any consumed usage is added to the accumulated usage. This is like booking a reserved quota for a prepaid case.

When we at HP designed our packaged roaming control solution to meet these new requirements, we kept several key concepts in mind.

- Give end users control over, and responsibility for, their options

Users demand control, and any viable solution must make providing that control simple and transparent. An intuitive interface and plenty of personalisation options empower users and improve self-care. This meets

regulatory requirements while enhancing satisfaction.

- Do it in real time for all services

Use a reliable real-time charging solution that monitors data roaming sessions in real time. It should utilise a database dedicated to keep the information on the limits each subscriber has set, along with accumulated usage data. Extend the service functionalities to voice services as well, at the user's option.

- Notify users immediately, and let them decide what to do with their services


An external notification mechanism should alert subscribers when the threshold (defined in the regulations as 80% of the user's specified limit) is reached or when the limit is reached and thus service blocked until further decision. Alerts should be available through a multitude of means, such as SMS, email, web redirect, pop-up windows, etc. Traffic must be blocked if the limit is reached and an increase in limit is not confirmed from the user, but this blocking should be as smooth as possible in order not to jeopardise the customer experience.

- Make sure it interfaces seamlessly with CRM systems

The whole package should wrap transparently around front- and back-end systems. It's all about making the service experience more natural and easy for the user, while making sure that service providers can utilise the information they'll gain in the most efficient and productive manner.

Ending bill shock is in everyone's interest

Data services are an exciting source of revenue, and one that will continue to grow in coming years. Sophisticated new devices, increasing use of peer-to-peer (P2P) and social networks, and new data-hungry applications are all driving dramatically enhanced data service bandwidth usage. The last thing our industry needs is to have a generation of consumers shell-shocked by high roaming charges. We need to build confidence in service users, not make them hesitant to try and buy new offerings.

The new EU regulations and those that may follow in other geographies are offering the industry a chance to give consumers the freedom to use data services to their exact level of comfort. By providing them with an easy-to-use, transparent and fully-featured control system, consumers will feel empowered and confident that their service provider is looking out for them, wherever they may roam. 

“... Give consumers the freedom to use data services to their comfort level.”