



EXPERT OPINION:

Summer's coming – but is your data roaming service ready?

Holiday season is upon us again, a time to put your feet up, says David Knox, relax and take a well earned break away. But for operators, this is also the time when the pressure is really on to make sure that their charging models are up to scratch, ensuring that their customers do not experience 'bill shock' when they return home and that their systems are prepared to cope with the demands of users accessing data services in far-flung corners of the globe.



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It is no surprise that mobile users are making greater use than ever before of their mobile phones and smartphones while abroad. Mobile data coverage has improved even in the remotest areas and consumer behaviour patterns have also changed, making staying connected while abroad just as important as it is when at home.

The mobile phone is no longer solely 'for emergencies' or to check in with friends and family at home: for many people, it serves as an entertainment system, travel guide, concierge and companion all rolled into one.

Holidaymakers will use it to listen to music, play games and watch videos while stuck in an airport or lounging on the beach. They will make use of apps and online review sites to choose where to eat and stay, as well as to book connecting flights or train tickets. They will, of course, also use their device to stay in touch with loved ones, making calls, sending MMS and SMS, as well as accessing social networking websites such as **Twitter** and **Facebook** to keep everyone up to date on their adventures.

Bill shock still likely

All of these demands mean a significant increase in data traffic, and despite the EU roaming legislation introduced last year, it seems that the likelihood is fairly high of a significant number of customers experiencing 'bill shock' when they get back from their trip abroad. Mobile subscribers certainly have a long way to go in terms of getting to grips with roaming.

Research conducted by **Acision** last year found a staggering lack of awareness of roaming charges, with nearly two thirds of consumers completely unaware of the costs associated

with using their mobile phone abroad, and only 10% feeling that they were being charged a fair price for roaming.

Huge revenue opportunities

If the legislation has got it right, this is a massive opportunity for operators: if they are able to alleviate customers' fears while responding to their needs, the revenue opportunities for further growth in data usage abroad are hugely significant.

The Acision research also revealed that 42% of consumers would love to use their mobiles more abroad if they could set a cap on their spending, giving them the control and freedom to use their mobiles, without the worry of running up a costly bill. Consumers also said they would feel more at ease if their operator offered roaming bundles, with 67% saying that they would purchase a bundle to call and text home while on holiday.

But it's not just calls and texting that consumers are interested in while on holiday – 11% would also like to buy a data package to access the internet for a variety of things, including email and social media. Further to that, 22% would like to access social networking sites, 18% would like to watch TV, and 11% would like to download TV programmes or movies.

Progress already made

Significant progress has already been made towards meeting these requirements. The first key stage of the EU roaming legislation was rolled out in July 2009 and saw the implementation of caps on the cost of messaging, web browsing and making voice calls while within the EU zone, as well as the introduction of per second billing after the first 30 seconds of a voice call. As a result, average




roaming charges for users in the EU have already been cut by around 50%, with further reductions planned.

A key function of these new rules was to ensure far greater transparency for mobile users on the actual costs of using their phones overseas. However, it is yet to be seen whether the legislation has achieved this particular goal. This summer will be one of the first real tests of whether the initial caps placed on costs will be able to harness the real potential of roaming for both consumers and operators.

From July 2010, we are expecting to see the next phase of the legislation rolled out, where it will be mandatory to offer real-time spending limits and a cut-off facility to subscribers using data roaming services. The operator must assign a default spending limit of €50 per month for data services, and enforce this limit in real time. However, rather than simply being cut off when they hit their limit, they should receive a notification when they have reached 80% of the limit, with the option to extend their limit before being cut off.

Of course, to effectively implement these new roaming models requires charging systems that give both operators and consumers access to accurate, real-time account information, as well as the flexibility to support roaming service bundles, real-time spend limits, user notifications and self-care based recharge. Personalised charging, multi-service bundles and 'design your own' tariff plans are becoming ever more popular, as consumers look for better value and more flexibility over the way they are charged for services. The EU legislation only adds to the pressure on operators looking to achieve competitive advantage as well as compliance.

The success of the legislation relies heavily on achieving a very fine balance between consumers' increasing need to be always connected via their mobile device, and their wish to stay in control of the amount they pay for this. Operators need to deploy an appropriate technology platform to help them meet these requirements and better serve consumers' needs.

The legislation not only means a fairer deal for consumers but with the right technology solution, operators can encourage their subscribers to use their mobiles more frequently while abroad, providing them with valuable revenue opportunities. 



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(Source: Research for Acision)