

# Monetizing the Digital Experience with Convergent Charging and Policy



## KEY FEATURES

- Device-driven personalization and control capabilities
- Sharing and gifting of services & resources across on-net and off-net users
- Personal insight into service usage across users and devices

## KEY BENEFITS

- Allows business users the capability to rapidly launch relevant offers
- Increases customer engagement with the service provider and drives additional revenues
- Influences user behavior and increases customer loyalty
- Provides understanding of service usage that leads to increased revenue

The rise in smartphone and tablet usage, coupled with increasing data speeds, both mobile and fixed, is contributing to a geometric increase in the consumption of data services, enabling the so-called customer “Digital Lifestyle”. Oracle has solved the issue facing many service providers today – how to effectively monetize data services to increase revenues.

## Overview

Estimates are that in a few short years smartphone penetration among mobile users worldwide will top 50 percent. Likewise, tablet and phablet subscriptions are predicted to grow at a rate of 755 percent over the next few years and they’re generating 3x the data usage as smart phones. Our insatiable appetite for data is fueled by an incredible consumption of apps – by 2017 more than 160 billion apps will be downloaded globally onto consumer handsets and tablets!

The radical changes in consumer behavior brought on by this digital storm have created pressures for many CSPs as they move their focus away from traditional services, i.e., voice and SMS, to digital services supported by IP networks. Even with the increase in data usage consumption, and an intense focus on the monetization of digital services, revenues from data service usage has not kept pace with the decline in revenues from traditional voice and SMS services. In the US, for example, for every 48¢ in new data revenues, CSPs lost 64¢ in traditional voice revenues. For most CSPs this is an unsettling trend that must be reversed.

An additional “Sword of Damocles” hanging over CSP’s heads is the shift of power from them to the over-the-top (OTT) providers due to the relationships held with their customers. Increasingly, CSPs are losing their “relevance” to the customer compared to OTT players. Consider how and why a subscriber interacts with their mobile device for example. A major percentage of the time it’s to open an app. Check Facebook or Twitter. Send a picture over Snapchat. Perhaps watch a video from YouTube or Netflix. The point is, the customer doesn’t necessarily have the CSP on their mind when they turn to their device, it’s one of the OTT providers. That is, the relevance, and increasingly the revenue, is with the OTT providers.

## Attract, Retain, Influence

It’s clear that an unwavering focus on the customer and providing the best possible experience for the consumer of digital lifestyle services is a high priority business strategy for CSPs. Customer-centric strategies to boost revenues involve attainment of customers, retention of customers, and most importantly influencing customer spend – or gaining a larger share of the customer wallet. These strategies increasingly require a

real-time understanding of the customer, something that is getting more complex as we move further and further into the era of the “hybrid consumer” – one with multiple personas, for example, worker, father, gamer and social blogger, engaging in the digital lifestyle through multiple devices, such as smartphone, tablet, smart TV or even an automobile. The common trend to recognize is that we are becoming a device-driven global society, and the key to maximizing revenues and margins is to deliver a personalized and intuitive device-driven customer experience.

Strategies to attract, retain and influence customers through a device-driven approach can be accomplished through two categories of business focus. CSPs that effectively execute properly on each of these categories are certain to gain back relevance with the customer and increase revenues and margins. Those categories are:

- **Product Innovation (Design Time)** – the ability to rapidly design and launch relevant services that resonate with customers and set the CSP apart from the competition.
- **Customer Engagement (Order Time and Run Time)** – the ability to meaningfully interact with customers, in real-time, and provide proper levels of personalization and control to customers to maximize spend and loyalty. Core to accomplishing these categories are the bridging of network and IT functions that are inherent in a unified, well engineered convergent charging and policy solution – one that goes beyond simple integration between charging and policy. While other components of traditional BSS/OSS systems are essential in the overall framework of a telecommunications IT and network environment, no other systems or functionality are as crucial to maximum revenue generation as the charging and policy systems.

The Oracle Communications Convergent Charging and Policy solution focuses on enabling a device-driven customer experience. It is the only integrated charging and policy solution that maximizes product innovation during design time, and allows the most granular and effective forms of customer engagement during runtime to maximize loyalty and spend, all accomplished with the absolute lowest total cost of ownership.



Figure 1. Oracle Communications Convergent Charging and Policy Functional Architecture

## Design Time

The ability to rapidly launch relevant, differentiated services that resonate with customers is paramount to the success of a CSP enabling a customer's digital lifestyle and maximizing revenues. Product innovation can be thought of as "design time" capabilities. Functionally rich design time capabilities provide the CSP the ability to abstract network and IT complexity, ideally allowing the business user (or IT user) the ability to rapidly design and create innovative, relevant offers with any pricing or policy attribute. Easy-to-use design time tools provide the marketing department the ultimate in flexibility and re-usability of pricing and policy attributes across product lines for the quickest time to market of relevant services, offers and promotions.

Following is a description of how the Oracle Communications Convergent Charging Solution enables fast and simple offer design:

- **Rapid pricing design for the business user**

A rapid offer design time environment, designed for the business user, allows pricing structures to be easily defined for any offer or promotion. Anything that can be measured should be available as a pricing attribute that can be incorporated into the pricing rules, including application, location, customer, network, QoS, and device aware attributes. The business user of the CSP virtually has an unlimited palette of attributes to use, all of which are easily integrated to the underlying charging and policy system.

- **Decoupled commercial offer design from network and IT speeds development and testing cycles**

Business-driven charging and policy design tools abstract pricing and policy attributes from complex IT and network systems. The business tools create commercial offers which may be then made immediately visible to customer-facing interfaces, such as a mobile app on the device, CRM, or web. An effective design methodology decouples the commercial offers from the underlying network and IT infrastructures, so that changes made to the network or IT systems will have no negative impact to available commercial offers.

## Order and Run Time

The Oracle Communications Convergent Charging and Policy solution is the enabler to an effective device-driven customer engagement strategy. The solution enables just the right levels of personalization and control to consumers, and provides the platform for interactive engagement.

- **Dynamic offer configuration allows customers to personalize their plans (e.g., offer-for-one)**

When choosing a service plan, customers want simplicity, but also choice. They want plans that fit their particular lifestyle, or their families', and don't want to pay for services they don't use. And they want the ordering experience to be simple as well, regardless of the channel, such as the retail store, web site, and now more importantly, an application on the mobile device. The Oracle Communications Convergent Charging and Policy solution provides the ability for individual customers to pick the plan parameters they want, what we call "offer-for-one". Under this paradigm, customers can choose exactly how many voice minutes they want in their plan, as well as their text

message limit and their data limit – priced specifically for them.

- **Real-time visibility and granular control over business and network policies allows customers to personalize their services**

Whether a plan is an individual or family plan, allowing customers to control policies within their plan, through their device, increases customer satisfaction and loyalty, and leads to an increase in spend. A customer could control business policies such as spend and usage on data services by setting notification thresholds for themselves or family members within the plan. For example, if a customer subscribes to a 10GB family data plan, he or she could set business policy controls, through the convenience of a mobile app, which place individual data usage limits for the children on the plan. A school-aged son could be allotted a 2GB data limit, while their daughter is allotted a 3GB data limit. And, a usage notification control can be specified by the account holder, so that a notification is sent when, say, 90 percent of the 10GB data limit is used.

In a similar fashion, network policies can also be controlled by the subscriber. With granular control over the data limits of his children, the father (account holder) could specify what action that is to be taken when his children reach the data limit he allotted, i.e., whether to cut data usage off completely or allow lower bandwidth data throttling. Also, the father also could have the ability to set parental controls, such as limiting text messaging of his children during school hours.

- **Sharing and trading of resources to influence customer spend and extend reach into customers' business and personal social networks**

The ability to leverage a customer's business and personal social networks is a powerful tool to attract new customers. A charging solution that manages monetary and non-monetary resources (balances) and allows customers to share those resources to people within their social networks, even those people outside of the CSP's network (off-net) is a powerful customer engagement technique. Allowing customers to "gift" resources to off-net people exposes those people to the CSP's services, creating powerful attraction scenarios to reach more potential customers.

- **Contextual real-time notifications allows CSPs to drive customer buying and usage decisions**

Knowing the context of customer usage, that is, the application they're using, which device they're using and the location they're using it in is very useful information. Even more powerful is the ability to take action on that information through a meaningful, real-time interaction with a customer to create revenue generating opportunities. For example, imagine the ability to prompt a customer to take advantage of a special HD video promotion while at a football game – one that would let the customer view HD replays, or highlights of other games throughout the league. Or, consider a simpler scenario in which the CSP notifies a customer whose prepaid balance is running low, to take advantage of a special top-up offer that is valid for a specific period of time. Relevant and meaningful interactions with a customer, in real-time, provide revenue generating opportunities "while the iron is hot" so to speak.

## Conclusion

The digital world in which we live, work, play and socialize has created immense opportunities for communications service providers, however serious pressures and challenges must still be overcome. Those CSPs that understand, embrace and tackle those challenges head-on will be the ones that thrive, as revenue opportunities are abundant for CSPs in this new digital economy.

An unrelenting focus on the customer and an understanding of the power of device-driven customer engagement is what's needed for CSPs to gain relevance with the customer and garner a greater share of the customer spend. In order to accomplish this, no other IT and network function is as important as an effective and integrated charging and policy solution.

The Oracle Communications Convergent Charging and Policy solution is the only cost-effective solution that enables CSPs to combine business and network policies to rapidly launch innovative offers and empower customers to personalize and control their usage experience, accelerating service monetization at a predictable cost of ownership.

If you are interested in learning more about Oracle Communications solutions, please contact us directly at [oraclecomms\\_wg\\_grp@oracle.com](mailto:oraclecomms_wg_grp@oracle.com) or visit [www.oracle.com/communications](http://www.oracle.com/communications).



### CONTACT US

For more information about Oracle Communications Convergent Charging and Policy, visit [oracle.com](http://oracle.com) or call +1.800.ORACLE1 to speak to an Oracle representative.

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### Hardware and Software, Engineered to Work Together

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