



Roaming Revenue and Tariff Analysis Services



TKonsult

Review areas

- Usage and revenue
 - Roaming Partner Coverage
 - Usage and traffic review
 - Steering
- Tariff Strategy
 - Tariff Review
 - Preferred Roaming agreement and discounts
 - Roaming hubbing solutions

Assignment Overview

Sarus proposes a phased approach for the Roaming Performance Review, from analysis of the current status until delivery of recommendations for implementation.

Project Structure

WP	Deliverables	Operator Benefits
1 Usage and Revenue Analysis	<ul style="list-style-type: none">• Roaming Partner Coverage• Usage and traffic review• Steering	<ul style="list-style-type: none">• Clear unbiased third party snapshot of roaming revenue performance• Identification of quantified roaming revenue enhancement priorities
2 Tariff Strategy	<ul style="list-style-type: none">• Tariff Review• Roaming agreement and discounts• Roaming hubbing performance analysis	<ul style="list-style-type: none">• Tariff strategy• Formalise strategy for preferred roaming and discounting• Introduce steering action plan
Follow on Service	<ul style="list-style-type: none">• Identification and resolution of network errors• Identification and resolution of configuration errors	<ul style="list-style-type: none">• Identification and resolution of revenue affecting configuration and network errors• Improvement in revenue and engineering performance monitoring reporting

Usage and Revenue Analysis Overview

Roaming Partner Coverage

- Identify new partner gaps for top revenue generating countries
- Identify service gaps (Data, 3G, CAMEL) for existing partner tie ups, especially for those with high revenue earning potential.
- Identify revenue opportunities from Priority 2 listed countries for quick wins
- Impact/Deliverables:
 - A revenue uplift of between 10-20% even for adequately covered operators.
 - Action plan listing priorities for new launches as well as service launches

Usage and Traffic Review

- Comparative analysis of usage and traffic
 - Service wise
 - Operator wise
 - Country wise
 - GPRS/Data performance
- Impact/Deliverables:
 - Variance with benchmark indicates:
 - Potential network issues
 - Potential steering, confirmed by Engineering Analysis
 - Configuration issues, confirmed by Engineering Analysis
 - Referral of GPRS/data performance issues for Engineering Analysis
 - Identification of erratic usage for voice or data provides evidence of technical issues.

Steering

- Review partner operator performance for top revenue generating countries. Identify evidence of steering by roaming partners
- An opportunity loss of over \$2 million identified for an operator, on account steering by partner operators
- Does operator accept it or have a plan to address it?
- Use engineering analysis to confirm use of partial steering
- Impact/Deliverables
 - Develop steering strategy:
 - Attempt to negotiate with roaming partner
 - Sharing of traffic
 - Offer better rates
 - Deploy anti-steering techniques
 - Focus on other partners in the same country
 - Alternate revenue opportunities
 - SMS transiting

Revenue Analysis Summary

Objectives

- Identify gaps for existing and new partner tie ups, especially for top revenue generating countries
- Identify revenue opportunities from Priority 2 listed countries for quick wins
- Review partner operator performance for top revenue generating countries.
- Identify evidence of steering by roaming partners

Methodology

- Assess new partner gaps for top revenue generating countries
- Assess service gaps (Data, 3G, CAMEL) for existing partner tie ups
- Comparative analysis of usage and traffic (Service, Operator, Country, Data performance)
- Use engineering analysis to confirm use of partial steering and presence of network errors

Prerequisites / Assumptions

Availability of Revenue data

- 12 months of data
 - By operator/By service
 - In/Out
- PRA/discounting
- Roaming hubbing commercials and usage
- Steering solution information

Client Benefits / Results

- Revenue Uplift Action plan listing priorities for new launches as well as service launches
- Clear view on potential network issues and potential steering,
- Steering strategy comprising negotiation with roaming partners, deployment of anti-steering techniques and alternative revenue opportunities
- Referral of data performance issues for Engineering Analysis

Tariff Strategy

Tariff Strategy

- In-roaming: Review IOTs against regional benchmarks, where available, with spotlight on PRAs with high revenue generators
- Out- roaming: Compare out-roaming rates charged by operators from top countries; compare traffic routed to top partners
- Highlight inconsistencies
 - Inefficient use of PRAs
 - Sub optimal retail tariffing across roaming partners
- Impact /Deliverables
 - Propose in-roaming tariff adjustments to maximise PRA and non PRA revenue
 - Recommend out-roaming pricing strategy to minimise out-roaming cost and maximise retail out-roaming revenue

Preferred Roaming Agreements and Discounts

- Review Preferred Roaming arrangement strategy
- Highlight impact of discounting. Highlight unproductive preferred roaming agreements
 - Can be very significant with one operator's discounts at US\$8 million from gross US\$19 million revenue
 - PRA partner revenue less than non PRA from same country
 - No tariff strategy for out-roaming for countries with PRA partners
- Review terms of discount provided both at individual and at group levels
- Impact/Deliverables:
 - Encourage PRA strategy
 - Protect in-roaming revenue impact
 - Out-bound retail tariff strategy to optimise roaming revenue

Roaming Hubbing Solutions

- Review partners tied up through various roaming hubs, with respect to revenue ranking and services launched
- Review roaming hub usage and revenue to ascertain cost effectiveness
- Impact/Deliverables:
 - Cost benefit analysis of direct tie up with roaming partner versus partnering through roaming hubs

Steering and PRA: Examples of likely steering cases

Country	Partner name	PRA / Discount Agmt	MOC Minutes
Germany	Vodafone	Yes	101,663
	T-Mobile	Yes	41,942
	E-Plus	No	26,624
	Telefónica	No	8,558
USA	AT&T	Yes	73,219
	Nextel	No	854
	T-Mobile	Yes	191
Czech Republic	Telefónica	No	28,177
	T-Mobile	Yes	4,620
	Vodafone	Yes	16,579
Netherlands	Vodafone	Yes	101,663
	KPN	No	4,384
	T-Mobile	Yes	885
Belgium	Belgacom	No	5,300
	Mobistar	Yes	8,791
	KPN	No	1,909

- Low traffic from Telefonica(excluding Czech), T-Mobile and KPN indicate that steering could be employed by these groups.
- KPN (Netherlands) has larger subscriber base but significantly lower MOC minutes than Vodafone

Tariff Strategy Summary

Objectives

- Compare in and out roaming tariffs against regional benchmarks,
- Analyse possible inefficient use of PRAs or sub optimal retail tariffing across roaming partners
- Review Preferred Roaming Agreement strategy , review terms of discount provided both at individual and at group levels
- Review partners tied up through various roaming hubs, usage and revenue to ascertain cost effectiveness

Methodology

- Review IOTs against regional benchmarks, with spotlight on PRAs with high revenue generators
- Compare out-roaming rates charged by operators from top countries; compare traffic routed to top partners
- Highlight impact of discounting. Highlight unproductive preferred roaming agreements
- Review partners tied up through various roaming hubs, with respect to revenue ranking and services launched

Prerequisites / Assumptions

Availability of

- Current Tariffs for all operators
- Current Steering
- Current bundles and promotions
 - Usage data for bundles
- SMS Hubbing rates
- Revenue analysis completed prior to start of this work package

Client Benefits / Results

- Recommendation for in-roaming tariff adjustments to maximize PRA and non PRA revenue
- Recommendation for out-roaming pricing strategy to minimize out-roaming cost and maximize retail out-roaming revenue
- Out-bound retail tariff strategy optimized to roaming revenue
- Cost benefit analysis of direct tie up with roaming partner versus partnering through roaming hubs

Summary of Benefit for the Operator

- Clear unbiased third party snapshot of roaming revenue performance
- Identification of quantified roaming revenue enhancement priorities
 - New partners or services
 - Tariff strategy
- Roaming revenue analysis identifies roaming partner behaviour such as steering or partial steering
 - Introduce PRA strategy
 - Introduce steering action plan
- Identification of revenue affecting configuration and network errors
 - Can be confirmed through engineering performance data analysis service

Why Sarus

Sarus USP

- Specialised in providing roaming support services for mobile operators
- Strong mobile telecom experience in all aspects of roaming function operations
- Established library of benchmarks for components of roaming revenue

Selected Clients



Fixe Mobile Internet MVola



Revenue Analysis – Case Study 1

- As is status
 - Established operator with over 250 roaming partners
 - Annual in-roaming revenue in the region of US\$11 million
 - Existing roaming performance considered good by the operating team
 - Post Analysis Report
 - Highlighted “quick win” revenue enhancing actions and priorities
 - Identified in-roaming revenue opportunities and priorities
 - Identified out-roaming revenue opportunities and priorities
 - Proposed retail tariff adjustments to enhance revenues
 - Highlighted unusual usage activities to be reconciled with monitoring reports
- **Identified over 20% uplift in roaming revenue**

Revenue Analysis – Case Study 2

- As is status
 - Established Island Operator
 - About 455 roaming partners
 - Annual Roaming Revenue over US\$3,000,000
 - Existing roaming revenue performance considered good
 - Post Analysis Report
 - Highlighted and quantified revenue enhancing actions leading to
 - Clear prioritised action plan
 - Enhanced efficiency within opco by focusing priorities
 - Identified in-roaming revenue opportunities and priorities
 - Identified out-roaming revenue opportunities and priorities
 - Highlighted potential fraud
 - Recommended new tariff strategy
- Identified annual revenue uplift of over 20%