Use Case: Speed Tiers Data Plan

CISCO

INCREASE ARPU AND OPTIMIZE USE OF NETWORK RESOURCES

What Is the Value of Speed Tiers Data Plans?

Operators can increase their revenues by offering subscribers a choice of mobile data usage plans at different bandwidth rates and fair usage quotas. These tiered pricing plans can also be differentiated by the length of the subscriber contract and whether the subscriber uses a smartphone, laptop, tablet, or other device. Tiered data plans allow subscribers to pay more precisely for what they need. Heavy users who want the fastest speeds and performance (e.g., for gaming or other rich media applications) will pay more for the higher tier plans. Other subscribers will pay less for moderate usage. Speed Tiers data plans promote higher customer satisfaction because services and usage are more equitably priced.

What Problems Does It Help Solve?

Mobile broadband operators have encouraged customer adoption with flat-rate mobile data plans but they are now struggling to find new mobile data revenues. Ironically, flat-rate plans are contributing to substitution of operator services by over-the-top (OTT) application providers, further adversely impacting the operator revenue model.

By offering subscribers a choice of mobile data usage plans at different bandwidth rate levels and fair usage quotas, operators can increase average revenue per user (ARPU) through more granular market segmentation. A business case developed by Cisco projects that an operator with 1.5 million mobile data subscribers would grow to 2.2 million subscribers, increase revenue by US$22.9 million per month, and realize an ARPU increase of US$6.85 per month based on tiered pricing. Speed Tier data plans have also been shown to attract a wider range of subscribers by offering the best plans for their desired usage. The choice of tiers also provides up-sell opportunities to higher-priced tiers that have added benefits (e.g., a Gold plan might offer more favorable service permissions once quotas are reached).

What Do I Need?

Speed Tiers Data Plans require intelligent network technologies that control the allocation of network resources based on subscriber plans. Operators also benefit from solutions that provide a fast, easy way to introduce new business models; gather network analytics per subscriber; and enable operational efficiencies between access, RAN, aggregation, and core layers of the network.

Cisco solutions to enable you to deliver Speed Tiers Data Plans along with many other revenue-generating services include:

Cisco Solution	Description
Cisco ASR 5500 Multimedia Core Platform	Part of the Cisco ASR 5000 Series packet core platform, the Cisco ASR 5500 Multimedia Core Platform combines massive performance and scale with flexibility, virtualization, and intelligence so network resources are available exactly when they are needed. The Cisco ASR 5000 Series' elastic architecture enables its software-based mobile functions to utilize system resources across the entire platform to optimize performance and maximize efficiency. This approach allows operators to deploy more efficient mobile networks that can scale to support a greater number of concurrent sessions, optimize resource usage, and deliver enhanced services. Integrated Deep Packet Inspection (DPI) and value-added services on the Cisco ASR 5000 Series are deployed within the data session instead of requiring it to be off-loaded to standalone platforms.
Cisco Quantum Policy Suite	A comprehensive policy, charging, and subscriber data management solution that allows service providers to control and monetize their networks and to profit from personalized services. The solution supports the rapid and efficient deployment, management, and monetization of basic and advanced service offerings, such as service tiers, personal price plans, prepayments and a growing array of application-based services.
Cisco Quantum Services Bus (QSB)	Provides a common bus architecture that allows mediation, connectivity, and communication among and between network elements through a standardized framework. The QSB facilitates network data collection, aggregation and orchestration to augment information in all decision processes. It helps service providers quickly create and modify use cases for monetization while optimizing network costs. It can help introduce new business models by exposing network capabilities and information with SLAs to third-party application and content providers.
Cisco Prime Analytics	Provides business and network analytics capabilities that can enable both historical trend and real-time predictive policy decisions. Includes dashboards for data visualization and programmable interfaces to create system alerts in conjunction with policy. It includes indoor location analytics such as foot-fall, dwell time, and more. It includes the ability to leverage the DPI capability within the Cisco ASR 5000 Series of packet core solutions to correlate massive volumes of dynamic usage data and catalog data to deliver up-to-the-minute insights.
Cisco Unified RAN Backhaul	Reduces cost and increases capacity of Radio Access Network (RAN) backhaul from any multivendor radio, across any transport media. Includes unified operations, management, and migration technologies designed to reduce the complexity of operating, deploying, and scaling backhaul of multivendor, multigenerational RANs. Includes the Cisco ASR 901 Series Aggregation Services Routers – environmentally hardened, high-speed, low-power-consumption routers optimized for any-G cell-site Radio Access Network (RAN) backhaul and Ethernet access. And the small-form-factor Cisco ASR 901S is designed specifically to enable the wide scale deployment of small cells by extending routing intelligence to the pole.

What Are the Benefits of Speed Tiers Data Plans?

- Increase ARPU through more granular market segmentation
- Optimize use of network resources by subscribers
- Attract a wider range of subscribers by offering the best plans for their desired usage
- Up-sell subscribers to higher-priced tiers that have added benefits
- Provide competitive pricing based on usage

Why Cisco?

The Cisco Open Network Environment (ONE) converges physical hardware and virtual software technologies to make the network easier to program, access, use, operate, and manage. Cisco ONE can help you drive new revenues and monetize your network in new and profitable ways. Cisco's solutions, platforms, and technologies provide a scalable, standards-based intelligent IP architecture that enables you to integrate subscriber knowledge with network and application intelligence in real-time to offer

an expanding portfolio of "Use Cases," which are innovative, revenue-generating applications and services that:

- Drive profitable data revenues by providing user personalization and seamless, secure heterogeneous access across 3G, LTE, and Wi-Fi networks
- Evolve your network into a platform for both direct and third-party partner monetization
- Enable you to establish profitable new business-to-business-to-consumer (B2B2C) revenue models
- Help you enter new, growing markets such as cloud services, content delivery, enterprise services, location-based services, machine-to-machine (M2M) applications, and more

To help deploy mobile Internet solutions efficiently and successfully, Cisco Services offers consulting for design, implementation, integration, and support.

For more information, please visit: http://www.cisco.com/go/mobile.