

# CONVERGED SERVICES ON PREPAID



**Ankur Lal,**  
**CEO, Infozech Software Ltd.**  
[ankur@infozech.com](mailto:ankur@infozech.com), [www.infozech.com](http://www.infozech.com)

# AGENDA

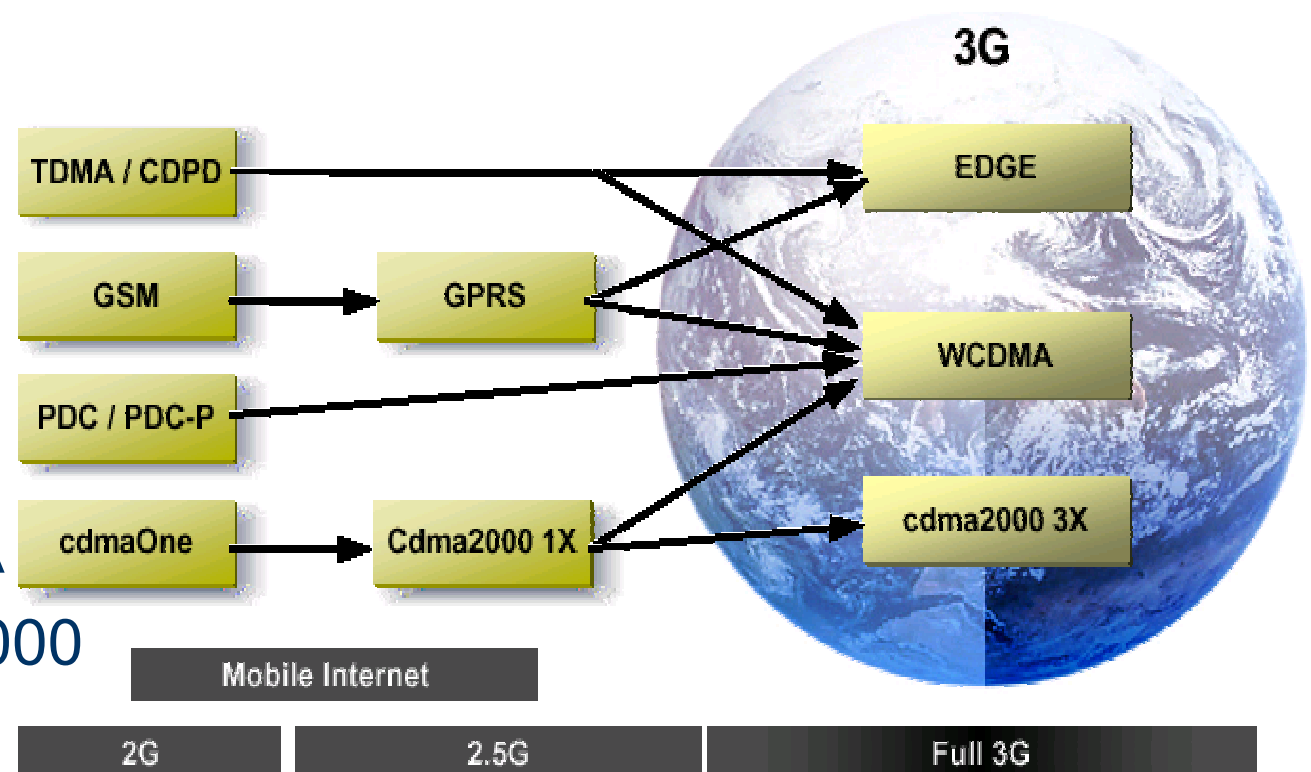
- ◆ Advanced VAS & Developments in the Mobile Arena
- ◆ Models of Payment: Pre-paid & Post-paid
- ◆ Billing Relationship: Fixed Operators, Mobile Operators, and Content Providers

# Advanced VAS

- ◆ Transaction based Billing
- ◆ Value based Billing
  - **Location Based Services**
    - GPRS
    - 3G
  - **Application Providers**
  - **Service Providers**

# Development in Mobile Arena

- ◆ GSM
- ◆ GPRS
- ◆ UMTS
- ◆ 3G
- ◆ W-CDMA
- ◆ CDMA 2000



# Development in Mobile Arena [Contd.]

Some applications are:

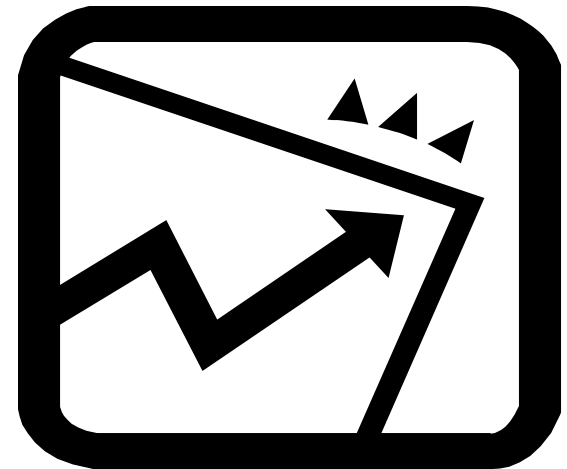
- SMS
- Ring tones
- Picture Messages
- Restaurants
- Movie or Games Tickets
- Vending Machines
- Local transport
- CDs and Books
- Flowers
- Parking
- Buying on-line content.
- Location-based services



# Development in Mobile Arena [Contd.]

## Key Drivers for Micropayments

- ◆ Customer Convenience
- ◆ Suppliers ability to charge for services/ introduce new services
- ◆ Telcos get personalized data on consumer habits
- ◆ Consumer gets itemized statement for petty payments
- ◆ Cross service discounting



# Development in Mobile Arena [Contd.]

## Example:

Driving around and really need a Coke and a pizza?



Coca-Cola in Atlanta has a fix for that problem through a deal it signed today with Go2 Systems that will provide the location of the nearest fast-food outlet, convenience store or gas station serving its products to consumers who have a wireless Web phone.

*“The agreement will help the company's food service customers grow food and beverage sales through promotion and mobile commerce.”*

*-- Tom Moore, vice president and general manager of the Atlanta-based Coca-Cola Fountain division*

## Development in Mobile Arena [Contd.]

### Example:

A Golf software is purchased and downloaded via a wireless Internet games portal; or, if the size of the game makes this impractical, it could be downloaded via a traditional wire line Internet connection, games cartridge, or CD-ROM.

### VALUE PARADIGM



In such case the value of a transaction is nil until the game is completely downloaded.

**PLAY IS THE VALUE**



# Personalized Data on Consumer Habits

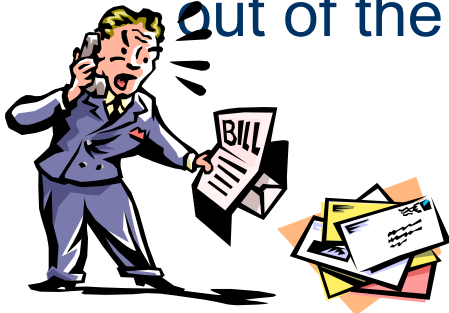
- ◆ Telcos get Personalized Data on Consumer Habits
- ◆ Segregation of target segments to offer personalized services
- ◆ Extensive profiling of consumers based on the spending patterns and localized service needs
- ◆ Enhancement of total consumer experience



# Statements for Prepaid Use



- ◆ Consumer gets Itemized statements for petty payments
- ◆ Inclusion of expenses that generally go untracked out of the general pool



# Cross Service Discounting

- ◆ All services into one account open up numerous selling and discounting arrangements
- ◆ *For instance:* A 500 minute talk-time package may come with a free book of choice, a bouquet or even a discount on an air-ticket that can be availed over a period of time. Buying dozen cans of soft-drinks may come with some free talk-time.



# Deterrents for Micropayments

- ◆ Customer Demand: Do the Customers really need it?
- ◆ Security
- ◆ Dispute Resolution Cost would be staggering
- ◆ Critical Problems



# Security

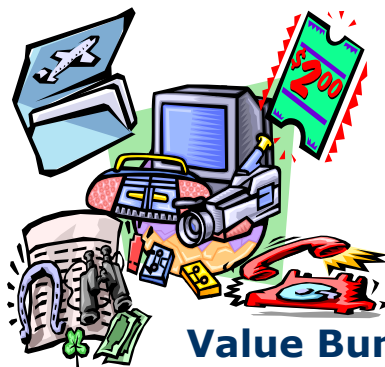
- ◆ Improved security would be a very compelling factor.



- ◆ However there would be a cost attached to additional security.

# Critical Factors

- ◆ No collection issues - Prepaid
  - ◆ Since there will be a large number of small value transactions, the yield for the settling bank or Telco per transaction will be small. Based on the total volume this may become a significant number.
  - ◆ Aggregation of Volumes Totaling up to Significant Numbers

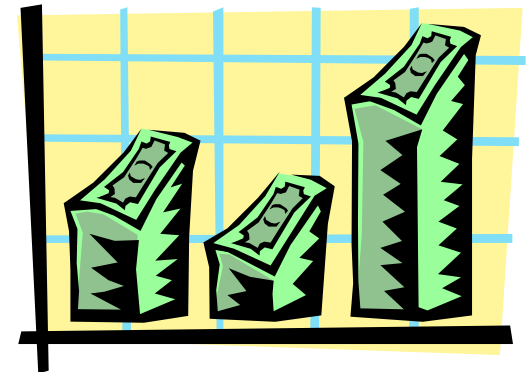


**Value Bundles**

- ◆ The capacities of the billing systems would be put to test as, the number of transactions could easily double for a typical telecom operator.

# Models for Revenue Transfer

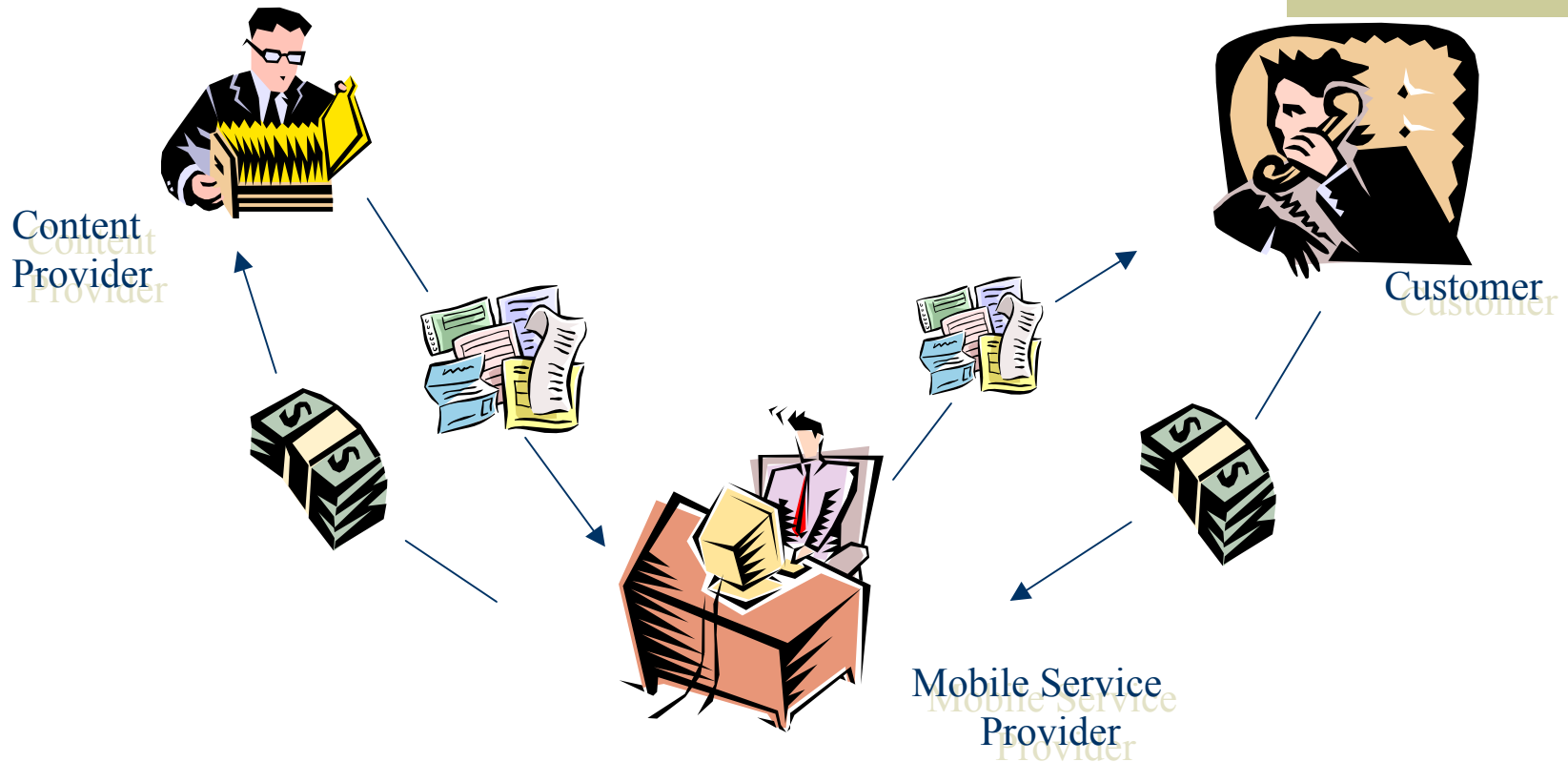
- ◆ Pre-Paid
  - Phone Bill Model



AGENDA



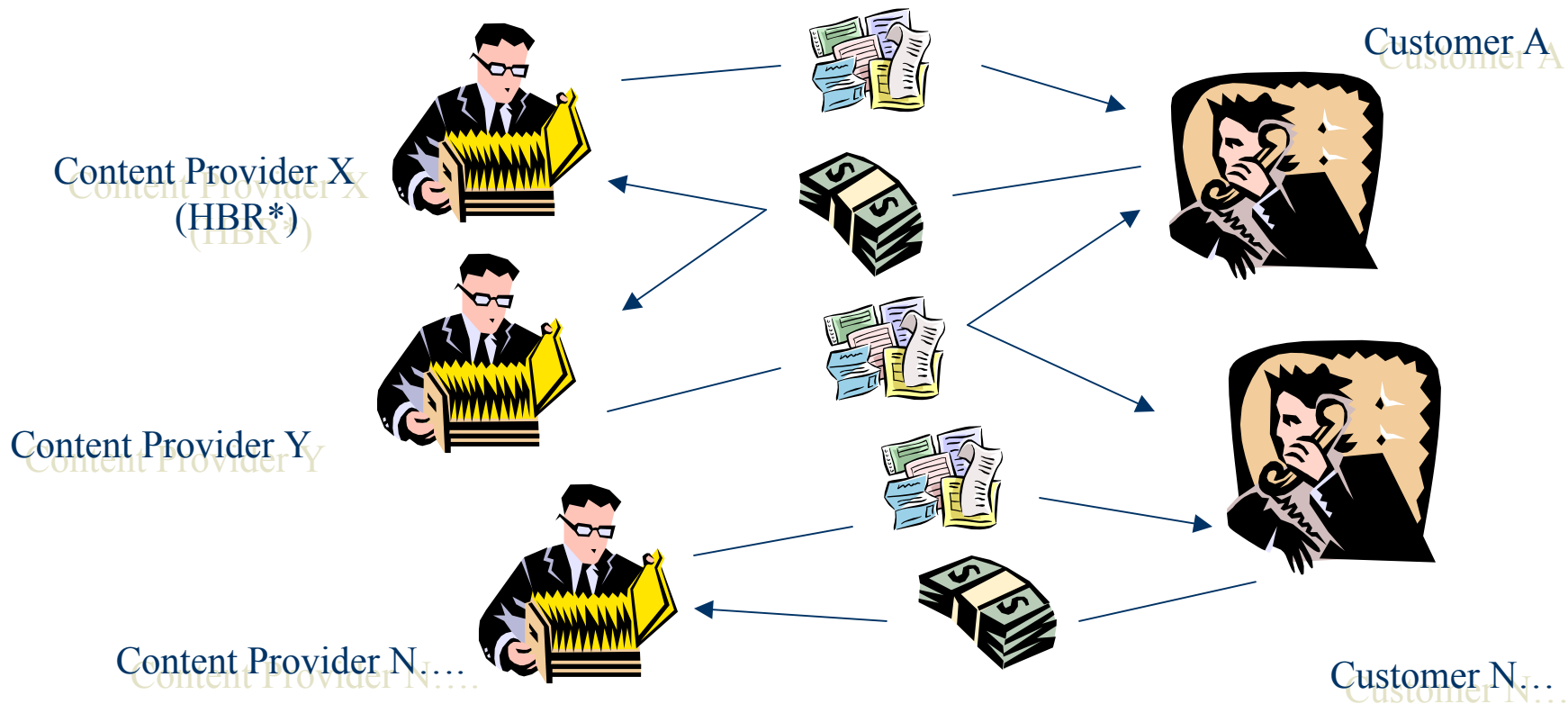
# Phone-Bill Model (or Prepaid Card)



*Imode in Japan is an example of this and they apply a flat 9% surcharge to all the content they re-sell.*

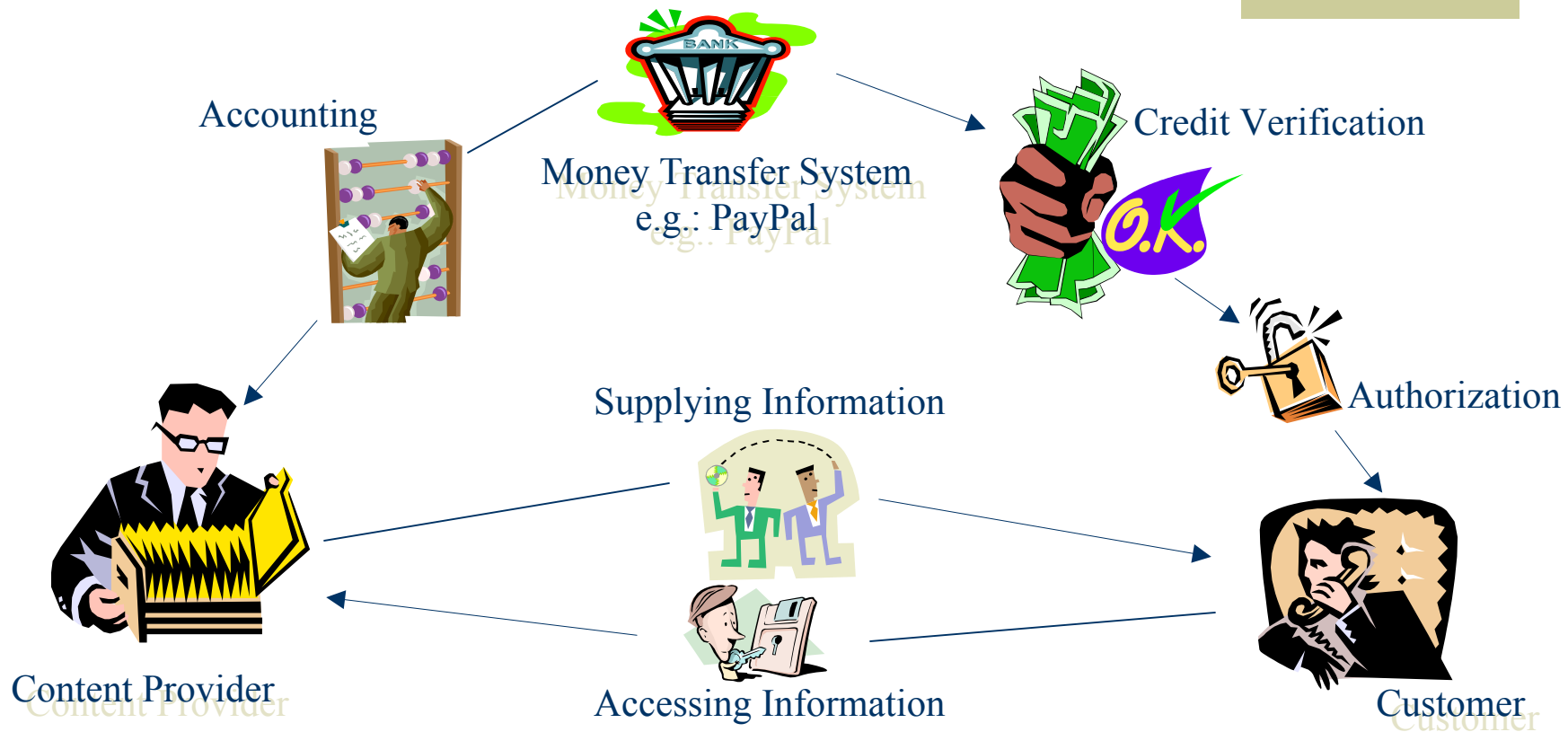


# Debit Model



*An example of this is the \*Harvard Business Review, which sells content directly.*

# Person-to-Person Model



*Some systems using this approach are Qpass and Aether Systems.*

# Person-to-Person Model [Contd.]

## Example: Content Charging

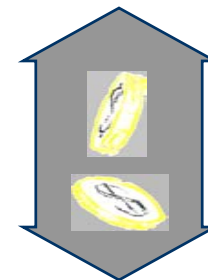
**Mobile  
MP3  
player**



Content, e.g. sound tracks on a virtual MP3-Jukebox

## Content Charging

- Keeps track of content access
- Provides clearing between content provider and content user



Content  
Charging

# Revenue Assurances

## - Prepaid Advantages

- ◆ Estimates of monetary revenue leakage in the switch to bill process, for instance, vary between 5 percent and 15 percent of total revenues.
- ◆ OBJECTIVE: minimize revenue leakage to improve revenue realization



AGENDA



# About Infozech

- ◆ Provides Telecom Services and Billing Solutions
- ◆ ISO 9001 Quality Certified
- ◆ Offices in Virginia (USA) & New Delhi
- ◆ Customer Base in APAC, Europe and US

## Product Offerings

- ◆ eBill
- ◆ iCAS
- ◆ PMS

# Partners & Clients



Microsoft



HUGHES  
SOFTWARE SYSTEMS



O'Connor's Singapore  
A member of Wearnes International Group



VOICEWARE  
SYSTEMS



i-Contact  
Your Success Is Our Passion



WORLD.COM



Embratel  
Americas



World Link  
Discount Telecom  
Independent Representative



N  
NOBEL



iBattle

# Take Aways

- ◆ Telcos can offer converged services on pre-paid
- ◆ From SMS, Ring Tones to Micro payments
- ◆ Will help in increasing ARPU & Retention.

Billing World, USA  
chooses Infozech as  
part of the **top 40**  
**Billing Solutions** for  
consecutively 2 years  
– 2000 & 2001

**THANK YOU**

**[www.infozech.com](http://www.infozech.com)**

**Economic Times chooses  
Infozech part of :**  
**"Ten Cutting - edge boutique  
firms that are part of the next  
Indian IT waves"**