

Mobile Bill Shock: Leveraging FCC Regulations to Enhance the Subscriber Experience and Create Stronger Subscriber Loyalty

Whitepaper

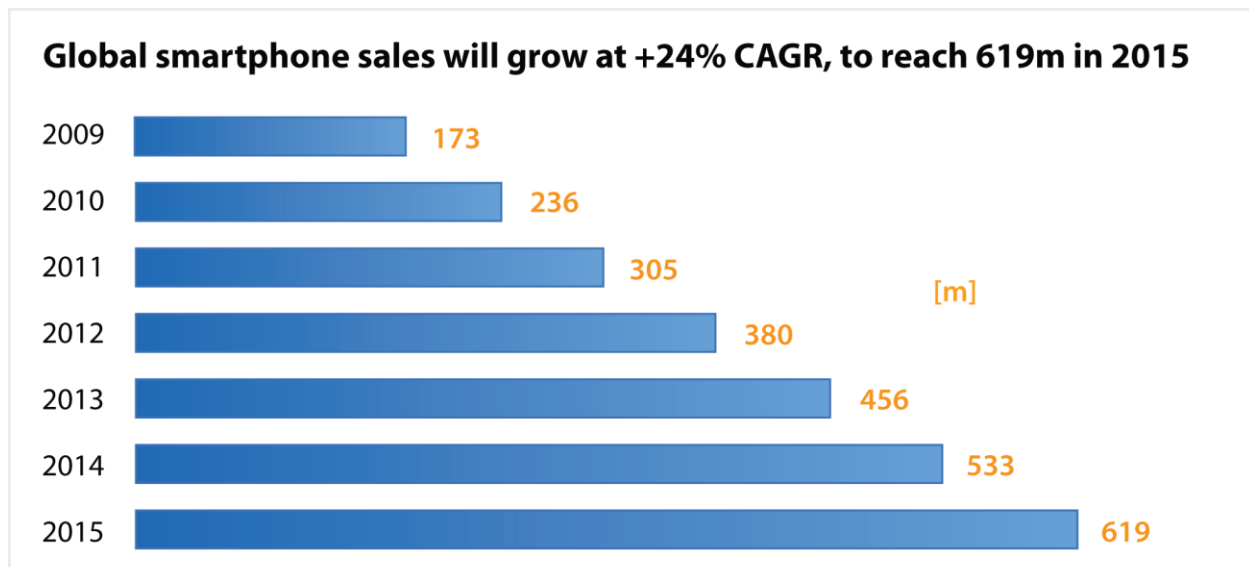
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1 Abstract

With the advent of smartphones and the subsequent rise of the consumption of data and roaming services by mobile subscribers, mobile operators have been faced with the task of providing transparent billing for these services. With the wave of consumers demanding advanced data and roaming services, operators have struggled with finding efficient means for the billing and rating of these services. This has led to an increase in customer Bill Shock when receiving unexpectedly high data and roaming bills, as well as attracted the attention of regulatory agencies looking to establish protections in order to deflect cases of Bill Shock. The following paper will explore the various avenues mobile operators can leverage to provide greater billing transparency, enhance the subscriber experience, and create stronger subscriber loyalty.

2 Introduction

As today's telecom market continues to see a rapid increase in the popularity of smartphone devices, the massive amounts of data consumed by these smartphone users will also continue to surge. Smartphone users currently account for 5 times more data usage than ordinary mobile phones, according to the International Telecommunication Union (ITU). Coda Research Consultancy forecasts that worldwide sales of smartphones will total 2.5bn units throughout 2010 to 2015, therefore subscribers will continue to demand and consume advanced data and roaming services from their network operators.



Source: Coda Research Consultancy 2010

While the advances in smartphone technology have enabled mobile operators to provide more robust service offerings, it has also proved difficult and cumbersome for mobile operators to rate these services in real-time and provide up to date data and roaming usage information to their subscribers. This lack of real-time insight into subscriber usage has left some consumers in the dark regarding their data and roaming consumption, resulting in costly overage fees that severely impact the subscriber's monthly bill, resulting in consumer Bill Shock. A recent survey by the Federal Communications Commission (FCC) shows that approximately 30 million Americans have experienced Bill Shock on their monthly bill. Among those who experience Bill Shock, 88% reported that their mobile operator did not contact them after their bill suddenly increased, and 84% reported that their mobile operator did not contact them when they were about to exceed their monthly allowed usage.

Following a string of high profile Bill Shock cases, regulatory agencies such as the FCC have now pushed for regulations in an effort to control Bill Shock. Modeled from the current European Union regulations regarding Bill Shock, the FCC is looking towards regulations that could require operators to send subscribers alerts or notifications when subscribers have expended their plan allowance and are accruing overage fees, as well as the ability for operators to place a cap on data and roaming overages for subscribers. While the proposed regulations are aimed at keeping the consumer informed of their mobile usage in an effort to reduce the number of consumer Bill Shock instances, mobile operators can leverage possible Bill shock regulations to enhance the subscriber experience and create stronger subscriber loyalty.

Bill Shock can be prevented by addressing two main issues, the lack of real-time insight of mobile usage by the consumer, and inability of the mobile user to easily update, change, or add funds to their account to thwart overage fees. Luckily, real-time billing and rating platforms and online charging tools are available and can be deployed on an operator's network to resolve these issues. When choosing a real-time billing and rating platform vendor, it is imperative for mobile operators to select a provider that has experience and the capabilities to actively engage with subscribers in real-time regarding their usage, so it can be done efficiently and cost effectively.

3 Regulate Usage while Generating New Revenue Streams

In today's competitive mobile market, it is crucial for mobile operators to provide subscribers with cutting edge services, while at the same time maintaining strong customer loyalty and reduce customer churn. Mobile operators can avoid customer dissatisfaction with overage charges as well as stay compliant with any mandated Bill Shock regulations by providing greater customer insight of usage, simultaneously enabling the customer greater flexibility of managing their accounts by enabling them to cap services or increase usage limits before they incur overage charges.

With a robust real-time billing and rating platform in place, mobile operators can effectively offer subscribers insight into their mobile usage, as well as effectively charge for usage and encourage subscriber self-care for managing their accounts.

4 Interact's Invigorate Real-Time Billing and Rating Solution for Bill Shock Prevention

Interact Incorporated's Invigorate Real-Time Billing and Rating platform was designed to provide operators with a way to provide their subscribers more transparency into their mobile usage and provide real-time usage notifications to subscribers, all before the evolution of Bill Shock prevention measures and mandates by the EU and FCC. The features inherent to the Invigorate Real-Time Billing and Rating platform that will not only address the issue of Bill Shock for operators and subscribers, but also help operators maintain customer satisfaction and generate new revenue streams include:

Usage Alerts: The Invigorate Real-Time Billing and Rating Platform allows for pre-call, mid-call, and post-call announcements to the subscriber to be made, warning them when they are approaching their service limits. The solution provides the capability to configure a special pre-call, mid-call, or post-call USSD in the case that a subscriber's balance drops below a configurable threshold. This allows the subscriber to know that their balance is getting low and encourages recharge activity. This USSD message can be different for each Service Provider and Rate Plan allowing the Service Provider the ability to differentiate their service.

Invigorate also allows mobile operators the ability to send their subscribers balance notifications after each call, SMS, MMS, or data usage session. This provides the subscriber greater transparency into their account usage and can greatly reduce instances of Bill Shock.

By utilizing alerts and balance notifications, mobile operators are not only able to comply with EU and FCC proposed Bill Shock regulations, but mobile operators also open up new avenues for subscribers to replenish or add funds to their accounts in real-time.

Call Diversions: In addition to alerts and balance notifications for Bill Shock prevention, the Invigorate Real-Time Billing and Rating platform allows for mobile operators to configure call diversions to Customer Care, or an IVR menu when usage limits are reached. Rather than simply not allowing the subscriber to continue using services once they exceed their plan usage, call diversions allow for the operator to route the subscriber to avenues where they can either change their plans to allow for more usage, replenish funds, or permit overage charges to occur moving forward. Call diversions offer benefits to both mobile operators and subscribers by maintaining customer satisfaction in negating Bill Shock, but also by providing immediate revenue streams to operators by offering real-time avenues for account replenishments.

Capping: The Invigorate platform allows for capping services. Mobile operators can configure partitions on a subscriber's account to limit access to services to a pre-defined amount of usage for voice, SMS, MMS, or data. These limits can be determined by the subscriber, and also allow for setting limits on a child's account if all accounts are together on a single shared plan. Once the subscriber reaches the pre-defined threshold, they will no longer be allowed to utilize services until their account is replenished, or they accept the terms of overage fees moving forward.

This method completely eliminates the possibility of overage charges by blocking services in real-time when a subscriber reaches their plan limit. Capping can also be used in combination with alerts to warn the subscriber before their services are about to be capped, or in combination with call diversions to allow the subscriber to replenish their accounts.

Real-Time Account Replenishment: By allowing subscribers multiple avenues to replenish their accounts in real-time before overage charges incur, or when their account services are depleted, mobile operators not only open up new revenue streams, but also have the added advantage of maintaining strong customer satisfaction and loyalty by offering more insight and flexibility to their subscribers. The Invigorate platform provides a robust payment solution that gives both the operator and subscriber greater flexibility for real-time account replenishment. Payment methods can include vouchers, credit cards, and subscriber funds, and can be made via Customer Care, and IVR, or a web interface, or the payment solution with Invigorate can also be integrated with external systems such as ATMs, direct bank debit solutions, or point of sale solutions. The multitude of avenues available for account replenishment can help mobile operators encourage frequent account replenishment to avoid Bill Shock, while at the same time increasing revenues.

Customer Self-Care: More often than not, a subscriber's lack of insight into their account usage is the root of Bill Shock onset. By allowing more transparency into a subscriber's individual usage and account information in real-time, mobile operators can significantly reduce Bill Shock. The Invigorate platform offers the ability to handle requests from subscribers via self-care channels such as SMS, IVRs, and web interfaces, and execute these requests in real-time. The solution also supports the ability to send the request to a mobile operator's specific IVR or Customer Care operator for additional handling and management.

Providing subscriber self-care features such as balance and usage information, the ability to opt-in to new tariffs and plans or cancel current plans, change from one plan to another, etc., produces greater subscriber awareness, while at the same time allows for self-management of accounts and usage. Not only will increased self-management of subscriber accounts lead to fewer instances of Bill Shock and greater customer satisfaction, operators can also reap benefits such as lowered costs associated with reduced Customer Care calls.

5 Summary

In a saturated mobile market where customers can have their pick of who they wish to provide their mobile services, it is imperative more than ever that subscribers know their mobile operator has their best interest at heart. A mobile operator's failure to recognize their customer's interests can result in low customer satisfaction, high Customer Care calls, and increased subscriber churn.

The elimination of Bill Shock should be in every mobile operator's interest. Not only will efforts put forward by mobile operators to circumvent Bill Shock enable compliancy with possible EU and FCC regulations, but it also provides operators with an opportunity to provide more customized services and insight to subscribers, while at the same time generate new revenue streams via flexible account replenishment avenues and promotional opportunities. By providing greater customer insight to account usage, operators will not only find fewer disgruntled subscribers by reducing billshock, but will also in turn reap operational cost savings associated with fewer Customer Care calls.

Interact's Invigorate Real-Time Billing and Rating platform for the prevention of Bill Shock enables subscribers to confidently utilize the services provided by their mobile operator, without the threat of Bill Shock, by providing greater knowledge to their account information and usage and enabling greater flexibility for subscriber's when the need to add funds or change their current plan arises.

The sooner that operators embrace the powerful strategy of combined policy and charging, the sooner they will be able to cultivate a richer experience for, and a stronger relationship with, individual subscribers. Rather than implementing regulations as a means to avoid legal ramifications, mobile operators should instead welcome the regulations as a strategy to enhance the customer experience, maintain customer loyalty, and generate new revenue streams.

For more information on Interact's Invigorate Real-Time Billing and Rating platform, please visit: <http://www.iivip.com/solutions/billing-and-rating-invigorate/>