



By Amit Daniel, Vice President of Marketing for Starhome

Mobile Operators Can Score with Mobile Roaming Data

Mobile operators seeking to stimulate roaming traffic and add new data subscribers are focusing on mobile roaming data as a game-changer.

THE BIG GAME

During a recent business dinner in Vienna, a friend suddenly remembered that his favorite football team was playing.

In previous years, sports-loving co-workers had gone to pubs to watch their national teams' games; followed the games on the Internet in hotel rooms; or constantly called home for updates.

My friend was not inconvenienced. He found the results he was looking for simply by using his mobile phone to surf his favorite sports website.

The whole episode lasted 30 seconds, and I noticed that no one at the table found my friend's behavior surprising. As an increasing number of people consume mobile data while they roam, this technology has become a natural part of many travelers' lives.

Frequent international travelers want information related to travel, and mobile operators who broker this relationship between roamers, content providers and travel industry players will discover a lucrative new source of revenue.

GOLDEN FUTURE

Statistics support the experiential evidence. Informa Telecoms & Media's recent roaming report predicts an explosion in mobile roaming data. Informa reports that non-messaging data roaming traffic will increase six-fold between the years of 2008 and 2013, which means average growth of 49 percent per year, to 341.8 billion KB at the end of the period.

"Demand for Internet access is booming and mobile customers are increasingly focusing on sophisticated handsets and of course the Internet," said Maurizio Martucci, Director of Marketing for Telecom Italia Mobile (TIM Italy). "Our customers want to access the Web's rich content for many reasons, regardless of whether they are home or abroad."

ADDITIONAL REASONS

Of course, expected growth is not the only reason that mobile operators are focusing on mobile roaming data. Viviane Reding, the European Commissioner for Information Society and Media, told European operators in February, 2008 that unless they could justify extra costs for providing roaming data services, charges would need to be lowered to a level comparable to domestic rates.

European mobile operators, as well as operators around the world who are facing their own regulations, are quickly seeking to comply.

Many roamers are unaware of the higher prices when overseas, and a significant percentage of users demand their money back upon their return and/or threaten to cancel their subscriptions.

THE FIELD IS READY

Fortunately for mobile operators, the transition to more effectively managing mobile roaming data does not have to be difficult, since the major pieces are already in place. The shares of sales for Advanced/Open OS global handsets are predicted to increase every year until 2012, when it is believed they will reach nearly 30 percent. Feature phones are also proliferating. The browsing capabilities and screen size of these two types of phones provide an advanced mobile data experience.

Industry research shows that the majority of international roamers are affluent and they are accustomed to using their mobile device for browsing. This valued segment would not need to be educated from scratch, or even re-educated. In fact, 20 percent of operator revenue in 2008 came from data services, so end users are well aware of how to browse and use the Internet from their mobile devices.

Many users consider the high prices for Internet usage while roaming to be an obstacle, but operators can easily sidestep this issue by utilizing available solutions to offer flat-rate packages to satisfy users on individual trips abroad.

"TIM has successfully offered a variety of data roaming pricing schemes so that customers can select the package that best meets their needs, said Mr. Martucci. "The increasing introduction of data offerings into the market is leading to a substantial, double digit price decrease in data roaming prices."

ROAMING CONTROL

Mobile operators have begun looking to deploy roaming control solutions that provide a bundle of services that will satisfy all of the users' data, voice and messaging roaming needs, while helping the operators comply with all relevant regulations. Operators who deploy such solutions will be able to provide flat fees and packages, and notifications with prices, to the end users.

These measures ensure that the roamer is comfortable and feels in control. This feeling of comfort is highly important, considering the heavy increase of roaming mobile data usage that has been ushered in by the iPhone and other advanced phones.

Marc Furrer, the Head of Roaming and Interworking at Swisscom, believes that solutions offering flat rates and/or bundles for mobile data roaming will be the "hot solutions for 2009."

"The explosion of the iPhone onto the mobile scene has triggered a massive increase in mobile data usage, both domestically and in the roaming market," said Furrer. "Many iPhone roamers don't understand that roaming rates are significantly higher, and they experience 'bill shock' when they return home and discover that surfing a site such as YouTube is significantly more expensive when the user is located overseas. Transparency and simple pricing schemes are a must for today's operators."

Operators who deploy a roaming control solution can additionally benefit from a steering solution that optimizes the quality of services for data roamers. Operators have historically had difficulties steering high-end handsets (such as iPhone and BlackBerry), but

new technology enables operators to steer based on handset type, so that all roamers can access data.

INCREASE REVENUE NOW

The decline in the global financial market, coupled with reduced revenues for mobile operators, means that now is the perfect time for operators to search for new revenue boosters. Mobile roaming data is one such area, due to high customer demand, the handsets already in use, the availability of content and advertisers, and the upcoming implementation of stricter regulations.

By the way, my friend's team won that soccer game. Mobile operators who want to triumph in our competitive market are well-advised to keep their eye on the ball by focusing on the mobile roaming data segment.

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