

Real-time revenue management brings cost-efficiency and user satisfaction

The growing range of multimedia services opens up new revenue streams for telecom operators. It also means new business models and increased number of new business partners like media companies, internet players and advertisers. To realize these new opportunities operators need a real-time revenue management solution, to securely capture revenues, share them with partners and provide spending control to consumers.

In the past, it was the corporate segment that shaped billing systems with its need for advanced rating and multiple unique agreements. Today, 72 percent of all mobile subscribers globally use prepaid and the evolution of billing systems is increasingly driven by new multimedia services for consumers. Consumers demand spending control and personalization, and operators want to provide the full range of services to all subscribers independent of their payment option.

To create an attractive multimedia services offering, operators need to be fast to market and have simple price plans and understandable bills. Attractive bundles, cross-product discounts, bonuses and rewards are crucial to attract consumers, increase revenues and improve customer loyalty in increasingly competitive markets.

Handling increased number of partnerships includes traditional telecom relationships like roaming and interconnect as well as new types of partnerships with e.g. media companies, internet players and advertisers. Revenues must be captured and shared between the different players in the ecosystem. In this complex environment, operators face an increased risk of losing revenues since they will have to pay their partners even if they fail to get paid from their customers. This further drives the need for real-time charging.

Operators in emerging markets are expanding the customer base by addressing lower income segments and launching mobile financial services. This requires revenue management support to make services affordable and profitable, while keeping costs down and avoid price erosion.

Another challenge for operators is to evolve from the multitude of service-specific billing and customer care systems and processes to a converged revenue management environment. A converged revenue management solution can cope with rapidly evolving needs across all services and segments – faster, cheaper, better, with less complexity and lower cost.

Convergent charging and billing

Convergent handling of the end-to-end revenue management processes is vital to the success of future telecom operator business. The solutions have to be able to handle convergent technologies including fixed, mobile, internet, broadband, and TV services, as well as a variety of business models and business partner relationships, and convergent pre- and post-paid consumer relations from an end-to-end perspective.

A convergent charging and billing solution consists of five functional layers based on common technology. Each layer requires unique convergent capabilities and should be able to work interdependently. The layers are: Customer Care, Billing, Real-time charging, Mediation, and

Session control. The solution must enable new price plans, services and products to be quickly launched by operators and at the same time provide high availability and scalability.

For users, convergent charging and billing provides full control over all communication costs: users have one point of contact and a single invoice for all their fixed, mobile, broadband, and TV services. It also gives users access to the services they want independent of their subscription type, as well as the ability to pay however they choose – whether through top-ups, an invoice or via the internet. Convergent charging and billing provides users with real-time information on their spending and credit level, so that they will never spend more than they intend to. Users can also be kept fully up-to-date on their bundled minutes, bonuses and rewards.

New operators entering the market implement convergent charging and billing solutions from the outset to gain competitive advantage over established operators. Any established operator need to do a step-by-step transformation to convergent charging and billing. This is done based on the operator's business objectives, legacy environment and wanted target architecture. Thereby leveraging existing investments and securing ongoing business at the same time as the solutions gradually are converged to increase market competitiveness and cost efficiency.

Ericsson in revenue management

Ericsson is a leading provider of revenue management solutions. Ericsson helps its customers to capture and secure their money streams and leverage the business opportunities in the new communications world, by providing expertise and solutions to manage the revenues from traditional as well as multimedia services. Ericsson's Revenue Management offering include Retail Charging and Billing solutions for consumers and business users, Wholesale Charging and Billing solutions enabling new business models with partners e.g. internet players and media companies, Payments solutions to provide users new convenient and efficient ways to manage their money, Consumer Information Management for customer segmentation and predictive analysis, and Revenue Assurance solutions to prevent revenue leakage. In addition, Ericsson provides end-to-end solution integration through business consulting, solution design, system integration and solution lifecycle management. Ericsson solutions and systems integration capabilities deliver competitive advantages to operators by improving marketing capabilities, cost-efficiency and financial risk management. They also provide spending and credit control for all subscribers – whether consumer or corporate.

The acquisition of LHS further strengthened Ericsson's market position within revenue management. Ericsson is in a unique position to offer Convergent Charging and Billing solutions that enables operators to handle all users and services in the same way independent of payment options or access (e.g. prepaid or postpaid, fixed, mobile, broadband or TV). Over 910 million subscribers are charged and billed via solutions from Ericsson and LHS.

Ericsson's real-time charging solutions are the most widely deployed in telecom networks worldwide – catering for more than 810 million subscribers at over 155 operators. With more than 350 multi-mediation customers and more than 100 online mediation contracts, Ericsson is also the leading supplier of convergent online, event and file mediation solutions. There are 135 LHS Customer Care and Billing installations serving over 115 million subscribers.

More than 40 operators also base their convergent real-time charging offerings on an Ericsson charging solution.

In the revenue management domain, Ericsson has integrated more than 1000 real-time charging, convergence, prepaid, billing, payment, mediation, activation, revenue assurance and wholesale solutions.

Notes to editors:

http://www.ericsson.com/multimedia/multimedia-offerings/revenue_management/revenue_management.shtml

Ericsson's standard multimedia content is available at the broadcast room:

www.ericsson.com/broadcast_room

Ericsson is the world's leading provider of technology and services to telecom operators. Ericsson is the leader in 2G, 3G and 4G mobile technologies, and provides support for networks with over 1 billion subscribers and has a leading position in managed services. The company's portfolio comprises of mobile and fixed network infrastructure, telecom services, software, broadband and multimedia solutions for operators, enterprises and the media industry. The Sony Ericsson and ST-Ericsson joint ventures provide consumers with feature-rich personal mobile devices.

Ericsson is advancing its vision of "to be the prime driver in an all-communicating world" through innovation, technology, and sustainable business solutions. Working in 175 countries, more than 75,000 employees generated revenue of SEK 209 billion (USD 32.2 billion) in 2008. Founded in 1876 with the headquarters in Stockholm, Sweden, Ericsson is listed on OMX NASDAQ, Stockholm and NASDAQ New York.

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FOR FURTHER INFORMATION, PLEASE CONTACT

Ericsson Media Relations

Phone: +46 8 719 69 92

E-mail: press.relations@ericsson.com