

SPARK - value-added WiFi for telecommunications operators



Pre-paid Internet access services are not yet seen as an element of competitive advantage by fixed Internet providers.

A properly designed pre-paid service can be a source of additional revenue. Moreover, it contributes to an increase of loyalty and revenue per customer.

The Information Network:

145.9 million WiFi-enabled notebooks were sold in 2008 and the number is still growing.

Pew Internet and American Life Project:

Around 80% of all laptops nowadays contain a Wi-Fi interface. Around 90% of laptop users use a wireless network at home.

JupiterResearch 2007:

About 14.3 million American households use wireless Internet, and this figure is projected to grow to nearly 49 million by 2010.

iPass Mobile Broadband Index 2008:

The annual growth in the number of hotspot sessions was 46%.



Provisioning of additional Internet access services enables a growth of the customer base, which positively affects core business revenue.

Benefits from additional Internet access services for fixed and mobile Internet providers

INTRODUCTION

SPARK is a hardware and software solution providing wireless, carrier-grade, high-speed and secure Internet access compliant with the European Union data retention directive. SPARK has been deployed at various commercial premises and in public spaces.

BUSINESS RATIONALE

In the era of great competition, attracting customers to core services often requires a wide array of actions. Apart from the standard Internet access model (post-paid cable access) there are a number of additional Internet services that are unfortunately undervalued by fixed network providers.

	pre-paid	post-paid
cable	ADDITIONAL SERVICE	STANDARD MODEL
WiFi	ADDITIONAL SERVICE	ADDITIONAL SERVICE

The customers who need Internet access in their homes have to sign a long-term contract. However, many people seek flexibility and freedom of choice. Therefore, it is beneficial both for the customers and the provider to offer a **pre-paid cable Internet access**, with a wide array of tariffs and methods of payment.

The flexible access is arranged for all customers, who want to decide how much access time or data transfer they will need. In turn, the provider gains an increase in customers who usually would not sign the contract.

Another interesting feature is enabling a **WiFi access point** in the housing area. Hotspots are increasingly available to the user as portable devices give the possibility of moving freely and accessing the Internet in different places. Using a hotspot, a laptop user may choose to access the Internet inside (in any room) or outside the house (e.g. a young mother chatting on-line while taking care of her child in a park). This solution is easy and convenient as it does not require any cables and other hardware at the user's place.

This model can be carried out both as a **pre-paid service** (for new users) and as a **post-paid service** additional to the signed contract (value-added service for current customers). The benefits are clear – no constraints for young and mobile customers, as well as a higher loyalty factor among the current customers. Such benefits can be obtained thanks to Verax Systems' SPARK.

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REQUIREMENTS

As in the case of most technology investments, one of the main examined factors is the cost.

However, a correct identification of the cost is only possible after realizing how many aspects are essential when choosing a suitable solution. According to an internal survey, the most important issues for our customers when deploying an Internet access management solution include:

- **Flexible business model** – including the ability to determine Internet access payment tariffs, payment types and various methods of authorization (SMS, credit card, voucher or custom, e.g. by filling in a marketing survey).
- **Availability of business reports** on Internet usage, number of customers, session times and durations, etc.
- **Flexibility in configuration** including customizable login portal pages, various look and feel on different hotspots, free access sites and black lists.
- **Ease of use** via a user friendly graphical interface.
- Requirement for telecommunications **data retention**, imposed by the EU directive.
- **Quality of service offered** – i.e. reliable and intuitive user interface, good signal quality and uptime.
- **Scalability** from 1 to hundreds of thousands of users.
- **Ease of deployment** through running on industry standard hardware and many API's for infrastructure integration.

SOLUTION

Due to a COTS (commercial off-the-shelf) approach, our customers can quickly deploy additional Internet access services. As SPARK is a complete "out-of-the-box" solution, the implementation takes only 3-6 days.

BENEFITS FOR THE CUSTOMERS

- **Commitment free Internet access:** customers are not bound by any long-term contract.
- **Easy and independent access configuration:** unrestricted tariff management etc.,
- **Flexible payment types:** support of many different ways of payment: credit cards, SMS or pre-paid scratch cards.

BENEFITS FOR THE PROVIDER

The key benefits from deploying SPARK include the following:

- **Enhanced ARPU** – value-added services for current customers increase the loyalty and customer satisfaction.
- **Increased number of new customers** (students and other groups only temporarily occupying a particular location, users refusing to sign a contract) through the lack of long-term contracts.
- **Additional revenue streams** – greater flexibility for service provisioning.
- **Fast to market** – launching services faster than the competition.
- **Increased lifetime** of existing infrastructure.

EXPECTED PROFIT

Current customers

Laptops constitute **60%** of the computer market. About **90%** of laptop users use a wireless network at home and thus constitute the target group.

New customers

In a large city that is an education center, **15%** of the population are mobile persons, frequently moving their living places and therefore potential buyers of the pre-paid Internet access. Adding **20%** of the city population which constitute those who do not want to sign a long-term contract, the total amount of potential customers will reach **35%** of the whole city population.

SUMMARY

Due to long-term experience and a solid, ready-to-use product, Verax Systems has provided its customers with an offer of a very attractive service, which contributes to sales and customer increase. The possibility to provide additional services, including **pre-paid cable Internet access** as well as **pre-paid and post-paid wireless access** can be a great source of competitive advantage for fixed Internet providers.

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Newark, DE (U.S.A.)
Newton Abbot (United Kingdom)
Poznań (Poland)
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www.veraxsystems.com