

Triple-play: New standard for CATV and ISPs



Comarch Headquarters
Al. Jana Pawła II 39 a
31-864 Krakow
Poland
phone: +48 12 64 61 000
fax: +48 12 64 61 100
e-mail: info@comarch.com

www.telecommunication.comarch.com
www.comarch.com www.comarch.pl www.comarch.de www.comarch.ru

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Introduction

IP revolution that we have been witnessing in recent years, today reached the point, when this technology became a serious threat to the traditional service providers such as ILECs and CATV operators.

People are spending more time online than they do watching TV or talking over the phone. Being aware of this challenge the operators are expanding and transforming their businesses to become MSO – Multiple Service Operators. That gives them a chance to diversify their income, reduce costs and maintain loyalty of their customers.

Improving Customer Experience

SOHOs and residential customers never had a chance like that – to get all the communication and entertainment services from one provider and what's more, to be able to pay for it with one bill that includes a variety of cross service discounts. Before the MSOs era, everyone was forced to pay separately their phone bills, cable TV bills and very often also bills for the Internet access. Now the customers may talk on the phone and if they reach 100 minutes per month and download at least 15MB of content – next pay per view event will be provided at no charge at all. That's all possible because MSO is providing all IP, Telephony and Video services over one single wire. Such combination is referred to as Triple-Play. Several technologies are available on the market. Usually depending on the historical origins of the operator, they are based on copper (xDSL), coaxial (HFC) or fiber (FTTx) networks. Emergence of WiMax (IEEE 802.16) broadband access technology will enable WISPs (Wireless Internet Service Providers) to join that group.

MSOs all over the world have been building their position over the past few years. CATV operators were enabling Internet Access in their HFC networks, launching VoIP Long Distance services. Now most of them are looking into local telephony services. ILECs have launched xDSL services, now they are trying to enter media market by deploying Service Selection Gateways (SSG) in their IP networks. SSG technology enables control of the content and other web services as well easy deployment of video streaming services like iTV multicasting, Video on Demand (VoD), or Pay Per View (PPV). Next step for ILECs is obvious – to enable IP Telephony. On one side it looks like enabling competitive technology in operator's own network – on the other side it is still the operator network – and there's always a margin to make this service profitable to operator. Of course unless the competition gets it much earlier.

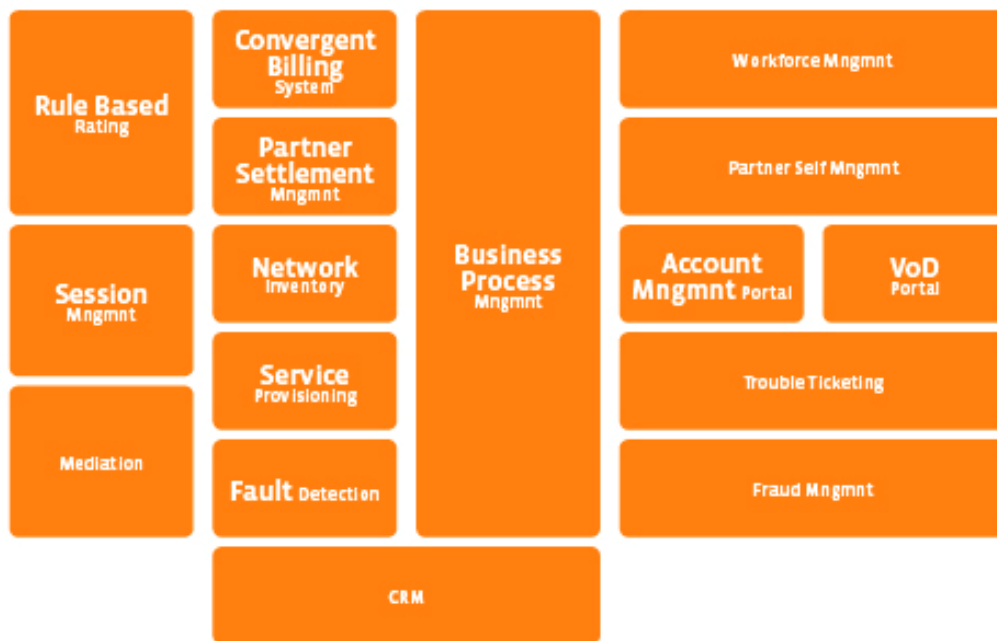
The benefits of introduction of triple play services are obvious:

- New revenue streams for operator – New services, not necessarily restricted to access services, but also the availability of a wide range of content, video streams, and applications. Even if MSO itself does not manage the content, there are plenty of content aggregators on the market just waiting to get new provisioning channels. Introduction of new services has a chance to significantly increase ARPU
- Competition – serving a wide range of services historically provided by separate operators reduces access to the customers by competing telcos.

- Churn Reduction – combination of price and quality is available thanks to triple-play services. This increases customer satisfaction and significantly reduces churn
- Optimization of network utilization – using new generation network management systems the operators are able to make better usage of their existing networks and plan expansion to remove bottlenecks and deliver services to new areas.

MSO Solutions

Until today, especially CATV and ISP operators have been using simple solutions for their billing, customer care and other BSS/OSS functions. They were ideal for them because the business was relatively straightforward. Today, when they become MSOs, they need to seriously consider switching to next generation convergent solutions originally addressed and reserved for telecommunications companies.



The picture above shows the functional blocks of end-to-end BSS/OSS suite for MSOs. Convergent Billing System – enables flexible billing and discounting scenarios – just like those mentioned in the first part of the article. Partner Settlement Management- gives MSOs ability to share revenue with 3rd party content providers for services and content delivered to subscribers, manage traffic Interconnect settlements both in VoIP and Circuit-Switched networks and of course settle royalties, sponsorships (advertisement) and commissions. OSS suite that includes components like Network Inventory, Service and Network Provisioning, Fault Detection ensures that MSO is able to properly manage network elements, quickly detect errors and faults, reduce time to market and deliver services to the end user in a fast and efficient way. Business Process Management with Enterprise Application Integration (EAI) layer combines all those components into one well-tuned solution, at the same time providing a tool for the optimization of data and document flow within the company. The core and cream of the BSS/OSS solution which gives MSO real competitive advantage are applications like Workforce Management – that tracks technicians, installation teams, their skills, competences and

resources, or Partner Self Management, a system that business partners can access to configure their services and prices for the content they provide. Subscribers using self service functions of Account management and Video on Demand Portal may view and pay their bills online, download content, as well as subscribe to pay per view and VoD events.

Of course installation and integration of all components from this solution may look really expensive, but the truth is that such investment may return itself in less than one year.

Reaching the Goal

Triple-Play changes the way the customers perceive their communication service providers. Today, MSOs become a major gateway to entertainment and communication services. Creating positive relations with customers is a job for the marketing department, but improving their overall experience requires collaboration of network, billing, customer service, and even field technicians. Nowadays software vendors reach out to MSO providing a full set of components including business support systems and operation support systems.

Another step in MSO evolution is going into what mobile operators have already been doing for the past few years, and which is becoming even more visible in era of 3G services. Companies that specialize in providing access (network operators), service (service providers) and content (content providers, WASPs, service and content aggregators) are finding their niches in a service value chain. Because of historical reasons, MSOs will maintain their network operator and service provider status for the next few years but commercial launch of WiMax and 4G services around year 2010, will have a major impact on the current MSO operations, especially in the metropolitan areas.

Andrzej Przewięźlikowski
Product Manager
Comarch SA

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