

Freemium Services for Mobile Broadband: Increase Customer Stickiness and Up-Sell Premium Services



Introduction

Operators are offering Freemium services to gain new subscribers and as a promotion to support new device launches. The Freemium business model is being implemented in a few different ways. One approach involves offering a basic service for free, indefinitely or for a trial period, while charging a premium for advanced features later on. For an already free service (for example, ad-funded), the operator's Freemium offer would be to not count (i.e., "zero-rate") the bandwidth used by the application against the subscriber's usage quota. For example, operators have offered promotions to gain new subscribers by tying free access to Facebook for a limited time to help promote a new device launch. Other Freemium approaches have been to offer a one-month free trial for access to a particular premium video programming site, such as a sports channel, at a higher quality of service. After the trial is over, the operator offers the subscriber the opportunity to subscribe to the higher-quality service for an incremental monthly charge.

What Is the Opportunity?

Attract new subscribers to new services or devices with free service promotions.

What Are the Challenges?

- Managing and allowing for usage of a specific application while dynamically zero-rating the bandwidth consumed against the subscriber's usage quota.
- Understanding the profile of traffic by application and subscriber to help decide which applications to offer as Freemium services.

How Will This Impact My Business?

- Increase stickiness of service bundles or success of a new device launch by offering unlimited access to popular services. See Figure 1 for an example.
- Gain new service revenues from up-selling after the user is “hooked” by the free trial.

Figure 1. Freemium Example, Vodafone Free Facebook Offer



What Do I Need?

- **Cisco® ASR 5000:** Purpose-built mobile multimedia core platform that delivers the performance and intelligence required by today's mobile networks.
- **Cisco In-line Services:** Intelligent functions that are integrated into the Cisco ASR 5000 and implemented in the bearer traffic flow, eliminating the need for external lower-reliability network elements while simplifying the network through integrated functions and services. Freemium services utilize several In-line Services functions such as Enhanced Charging Service and Application Detection & Control to zero-rate the targeted service bandwidth usage over the period of the free trial.
- **Cisco Mobility Unified Reporting:** Solution providing comprehensive statistical analysis and trending information of all network attributes and subscriber sessions through tight integration with the deep packet inspection (DPI) capabilities of the Cisco ASR 5000. Helps operators optimize network performance, target new services, and plan infrastructure investments. The Mobility Unified Reporting System helps operators understand which applications offered as Freemium will have the most success in achieving business objectives.
- **Cisco Policy and Charging Control (PCC):** Standards-based, highly scalable solution for operators to efficiently optimize network resources across subscribers and services while providing significant revenue opportunities by enabling the deployment of new personalized services.

Why Cisco?

Cisco IP Next Generation Network (IP NGN) offers a comprehensive end-to-end IP solution encompassing Radio Access Network (RAN) backhaul, IP edge and aggregation, Evolved Packet Core (EPC), IP core, and data center, optimized for the mobile data tidal wave, while providing an intelligent common IP core across all access types. Cisco's access-independent, IP-based Mobile Internet solutions are key drivers of operator differentiation, new revenues, network optimization, and profitability.

Furthermore, Cisco Services has the experience, tools, and best practices to help operators reduce time to market in deploying mobile network solutions.

Get Started Today

To find out how Cisco can help you gain new revenues by offering new and differentiated personalized mobile broadband services, contact your Cisco representative or visit: www.cisco.com/go/mobile.



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