

COULD USAGE-BASED PRICING SOLVE YOUR BANDWIDTH DILEMMA?

Subscribers are changing the way they watch video — and broadband service providers are wearing the cost. With more people moving to IP-only plans, bandwidth usage is increasing while revenue decreases.

How can you meet your subscribers' bandwidth needs and combat shrinking margins?

Usage-Based Pricing and Policy Enforcement

Policy is no longer a dirty word. Worldwide, cable providers are looking at creative policies to manage subscriber bandwidth usage and recoup revenue lost to falling video subscriptions. Subscribers on data-only plans use far more bandwidth than those with bundles.



Bandwidth Utilization

Data/TV/Voice
30 GB

V.S.

IP Only
200 GB



In North America, large cable operators are turning to usage-based pricing policies. Far from being restrictive, usage-based pricing offers subscribers a wide range of choices in a competitive marketplace. Some examples are outlined in the table below.

Type	Description
Tiered pricing plans	One of the most common policy formats where pricing increases by tier, allowing for higher data and speed allowances as prices increase. Depending on policy, there may be overage fees charged per GB unless the subscriber moves to the next usage tier.
Unlimited data plan	Offer subscribers all-you-can-eat data plans at a higher price than capped plans to capture heavy users.
Cross-device metered plan	Share data across a consumer's broadband and mobile services, or across multiple subscriber devices for a flat-fee.
Time-based metering plans	Offer options for off-peak or limited periods of unlimited data per day in addition to a bandwidth quota.
Proprietary OTT video package	Offer subscribers access to an online video service as part of a broadband package that does not count towards the quota.

IMPLEMENTING POLICY ON YOUR NETWORK

Applying policies such as bandwidth quotas to your network is a multi-step process.

1. Accurately Measure Per-Subscriber Bandwidth

- Understand how bandwidth is used on your network by collecting subscriber usage data
- Identify light, average, and heavy bandwidth usage to determine reasonable thresholds for policy enforcement
- Collection methods include Internet Protocol Detail Record (IPDR), Deep Packet Inspection (DPI), and Simple Network Management Protocol (SNMP), with IPDR putting the least amount of strain on the network and providing high degree of accuracy
- IPDR is part of the DOCSIS specification and provides an efficient way to obtain device bandwidth utilization data without consuming high amount of CMTS resources
- IPDR measures packets sent and received, rather than contents of subscriber traffic, and can help subscribers understand their usage to avoid bill shock

2. Gain Big Data for Better Business Decisions

- Data must be aggregated, analyzed, and organized into a readable format

- Predictive analysis for prioritizing upgrades in growth or high-revenue areas, as well as marketing/sales campaigns
- Offers insights to validate network CAPEX plans and enable strategic node splits

3. Manage Traffic Congestion in Real Time

- Gain real-time analytics for congestion management, such as throttling down all traffic of heavy users during congestion
- Associates subscribers, utilization, resource utilization, and location for accurate capacity forecasting

4. Create and Enforce Fair Access Policies

- Pinpoint peak usage periods, time-of-day patterns, and geographic areas to forecast trends
- Send notifications to users approaching thresholds or about to incur penalties
- Enable subscribers to easily purchase additional data or move into a different tier via a self-service portal

Find out more about bandwidth policies by downloading the free white paper, The Bandwidth Intelligence Imperative:
<http://go.incognito.com/l/16142/2015-08-27/215131i>