origin-based rating for network service providers

When Network Service Providers don't base termination rates on a call's origin, they may be leaving money on the table — and risking financial penalties.

the high cost of flat-rate termination

Network Service Providers traditionally charged flat-rate termination fees regardless of the call's originating country, the service provider and the type of connection used. Now many are breaking that tradition, and it's not hard to see why. With increased pressure on voice and data revenues, Network Service Providers (NSP) are looking for opportunities for new income streams.

Take the example of a mobile customer in New Zealand who calls a friend in Germany. With the traditional flat-rate model, the German Network Service Provider used a termination rate that didn't reflect where the call came from, which Network Service Providers were involved or which type of line was utilized — attributes that affect its cost of providing service. That model may no longer makes financial sense due to trends such as data usage outpacing voice and the rise of over-the-top (OTT) providers.

Hence the global trend toward origin-based rating (OBR), which enables Network Service Providers to identify all of those previously overlooked attributes and monetize them, too. If you work for a Network Service Provider and are responsible for networking, rating, billing or numbering, read on to learn more about:

- How OBR works.
- Why it's an opportunity to save and make money.
- How to implement it quickly and successfully.
- How OBR can also be used for anti-fraud and call-blocking initiatives, including verified caller ID.

what is origin-based rating (OBR)?

OBR uses both the origination location and the termination destination of a voice call to determine the correct amount to bill. Terminating Network Service Providers apply charges to termination rates based on the call's originating country, service provider and line type (mobile or fixed).

Terminating Network Service Providers may also add a surcharge to the rate if calling line identification (CLID) or automatic number identification (ANI) is not accurately provided by the originating service provider, as well as charge a penalty for calls with manipulated or invalid telephone numbers. These surcharges and penalties can quickly add up — sometimes more than 3,000% over a Network Service Provider's standard termination rate — putting a major drag on the originating Network Service Provider's revenue. In fact, one Network Service Provider reported potential losses of over US$120K due to OBR penalty surcharges on 3 million minutes originating from a single destination. That figure is 30 times the margin generated on that traffic.[1]

Dozens of countries across Europe, the Middle East and Africa have implemented OBR programs, which highlights why it is rapidly becoming a must-have capability for any Network Service Provider that originates or terminates international voice traffic. As this trend continues to expand globally, so does the financial risk for Network Service Providers. For example, the penalty surcharge can vary from €0.20 per minute (a 1,000% increase) to €0.35 for an invalid CLID (a 3,500% increase)[2]. Every additional country that implements OBR is another place where Network Service Providers risk paying those penalties.

[1] https://www.capacitymedia.com/article/29otc4cbu6due4oa5b5z5/blog/origin-based-rating-data-drives-profitability
[2] https://www.linkedin.com/pulse/origin-based-rating-disrupting-voice-market-lee-suker

iconectiv®

how Network Service Providers can implement OBR quickly and cost-effectively

Network Service Providers can use iconectiv's TruNumber Protect to simplify and streamline OBR management. Available for use in any country, the solution provides access to a global authoritative database of telephone number ranges to assist in identifying the origin country, Network Service Provider, type of number and validity for any worldwide telephone number range. This helps Network Service Providers to accurately rate and charge for terminating calls to their network based on the originating telephone number range. Users also can quickly look up a number to see if it's allocated, along with all of the other attributes in the database: country, country code, provider, type of service, description, minimum length, maximum length and date of activation.

To implement TruNumber Protect, Network Service Providers simply have their existing rating and billing tables ingest its data. This process requires no manual entry and no system modifications — two ways that TruNumber Protect significantly lowers both the cost and implementation lead time of OBR compliance. Network Service Providers can choose one or both methods of accessing the TruNumber Protect database:

- A full database that's download via SFTP, providing unlimited access to the data and the ability to interface with other internal applications. In this method, the Network Service Provider maintains and updates the database.

- A premium web-based GUI service that allows multiple users to create rules/partitions and download/export data from the database that is maintained and updated by iconectiv.

Regardless of the method used, TruNumber Protect includes data for approximately 245 countries and territories. There are no additional, hidden costs.

The subscription includes help desk support and all updates: once a month for Geographic numbers and twice a month International Premium Rate Number (IPRN) ranges. This frequency gives TruNumber Protect customers confidence that their OBR solution is using the industry's most authoritative database, protecting their revenue and margins.

In addition to saving money, Network Service Providers make money by monetizing the global OBR trend. Adding TruNumber Protect to their existing rating and billing solutions enables them to determine the correct amount to charge based on the call's originating country, service provider and line type (mobile or fixed). They also can levy a surcharge if the originating Network Service Provider doesn't provide CLID or ANI information. All of this can quickly add up to a significant amount of new, much-needed revenue.

Finally, implementing TruNumber Protect for OBR also allows Network Service Providers to use the solution to support their anti-fraud and call-blocking initiatives. This includes the emerging global trend toward verified caller ID using standards such as Signature-based Handling of Asserted information using toKENs (SHAKEN).

how to get started

OBR is a major new opportunity for Network Service Providers to save and make money. Visit https://iconectiv.com/trunumber/protect to learn more about how TruNumber Protect streamlines the process of implementing OBR.

make the connection.

For more information about iconectiv, contact your local account executive, or you can reach us at:

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about iconectiv

Your business and your customers need to access and exchange information simply, seamlessly and securely. iconectiv's extensive experience in information services and its unmatched numbering intelligence helps you do just that. In fact, more than 2 billion people count on our platforms each day to keep their networks, devices and applications connected. Our cloud-based Software as a Service (SaaS) solutions span network and operations management, numbering, trusted communications and fraud prevention. For more information, visit www.iconectiv.com. Follow us on Twitter and LinkedIn.

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