Case Study
China Telecom deployment of Veris O^{2}P

AsiaInfo

Challenge

Like most major telecom operators around the world, China Telecom Group faces competition from a new breed of digital service providers and OTTs. Having formulated a strategic response based on partnerships with these new players, China Telecom faced technical challenges with its implementation.

Commenting on the findings a of recent survey, Mike Hibberd the Editorial Director of Telecoms.com said "There remains a huge amount of enthusiasm for OTT/operator partnerships but the survey highlighted a number of challenges to their successful establishment. Business model, lack of commitment, lack of understanding and IT complexity must all be addressed, the survey suggested, if operators and OTTs are to strike deals that yield truly mutual benefits."

67% of the respondents indicated that both exposing APIs and enabling B2B collaboration are important platform capabilities for OTT partnerships, but the majority of respondents indicated that complex IT processes are a key challenges to enabling collaboration with OTTs.

> **"** *There is a strong argument for putting process innovation and BSS/OSS at the center of a digital services strategy as the volume and complexity of new digital services and connected products need more automation and tighter integration.* **"**
>
> *Nancee Ruzicka, President of the analyst house ICT Intuition quoted in the recent TM Forum report: 'BSS/OSS in the Era of Digital Services'*

Solution

Foreseeing the need for an IT platform to enable OTT collaboration, China Telecom Group started deploying a solution back in 2011 – much earlier than many of its counterparts. China Telecom chose to work with long-term partner AsiaInfo to address the challenge by developing an innovative B2B digital services collaboration platform – now productized as the Veris Open Operational Platform (O²P).

China Telecom wanted the platform to serve two key functions:

1. To allow them to converge their products with those of the OTTs and other DSPs, creating offerings worth more than the sum of the parts which can be sold through multiple channels.

2. To act as an API hub, enabling a fast and cost-efficient way of opening up their back office IT and network systems for the OTTs to use.

AsiaInfo built Veris O²P to meet these requirements. Today, this solution allows China Telecom to:
- Cross-sell OTT services to their existing customers (and gain a share of that revenue)
- Up-sell communication services
- Win new customers through innovative products and offers that include OTT services
- Monetize their IT and network capabilities

Example Scenario

O²P enables online retailers to reward customers for purchase of their goods, as detailed below:

Step 1
An online clothing retailer purchases mobile data cards from China Telecom. Each card has a unique authentication code.

Step 2
When a customer makes a purchase, the retailer gifts them mobile data. The retailer does this by uploading a unique authentication code to O²P, which then sends a request to Billing.

Step 3
Billing validates the code and adds mobile data to the customer's account in real-time.
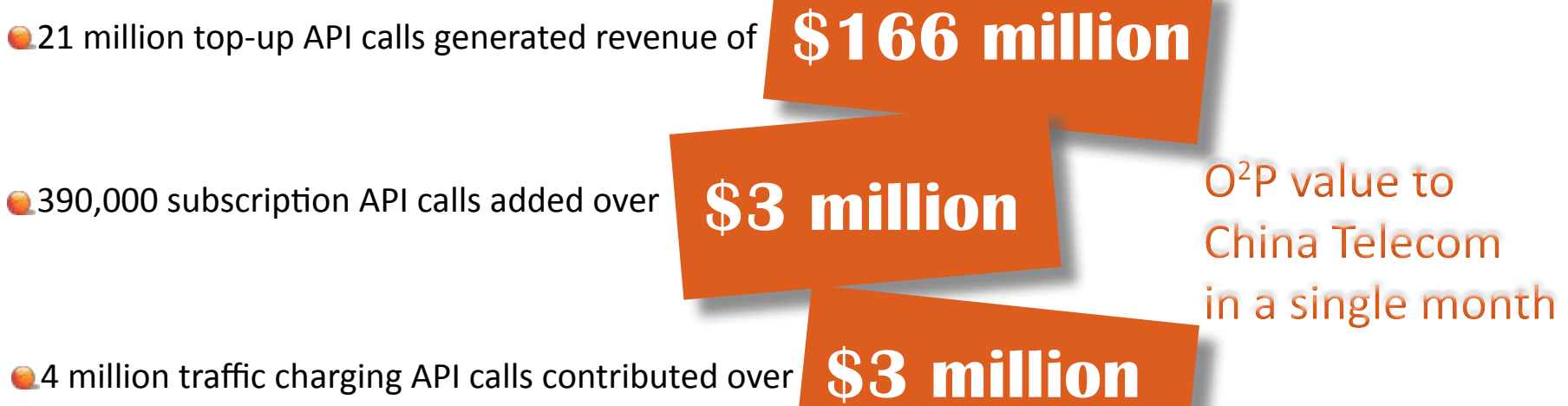
VerisO²P

Benefits Realized

Since launching Veris O²P, China Telecom has continuously added partners in the digital services market, and currently has over 20 partners (including OTTs and other cross vertical enterprises) using O²P. These partners converge their digital service products with China Telecom's communication products across fixed, mobile as well as IPTV lines of businesses.

Through O²P, China Telecom allows OTT partners to use its back-office systems (eg Billing, CRM, BI…) and network assets (eg SMS gateways) to enhance their services, and to promote and monetize them at a scale and precision that was not possible earlier.

While these APIs are given for free, and product convergence is also made available to partners, China Telecom Group claims a percentage of revenue collected from end customers. The incremental value added to China Telecom's business through O²P in a single month (March 2014) is shown below:

21 million top-up API calls generated revenue of **$166 million**

390,000 subscription API calls added over **$3 million**

4 million traffic charging API calls contributed over **$3 million**

O²P value to China Telecom in a single month

> " We deployed Veris O²P to not only address the challenge of competition from OTTs, but also to differentiate ourselves in the increasingly competitive, innovative and ever-expanding digital ecosystem in China. Thus we have also created a new source of revenue by opening up our highly invested back office systems to the wider digital community in this part of the world. At the same time, we have reduced IT costs involved in such processes by up to 50%. "

Tian Rong, Business Manager, China Telecom Group

Industry Recognition

AsiaInfo used Veris O²P to enable the TM Forum's Catalyst project "The ABCs of Multi-Party Digital Services", which was presented at the TM Forum Digital Disruption 2013 event in San Jose, California. Along with other members of the group, AsiaInfo demonstrated the collaboration and API hub capabilities of O²P. The team was presented with the "Greatest Adoption of Frameworx" Catalyst Award.

In April 2014, China Telecom nominated its implementation of Veris O²P for a TM Forum Excellence Award, and the solution was shortlisted by the judges in the Open Digital Category.

> " We are delighted to have been shortlisted as a Finalist for the TM Forum Excellence Award in 2014. It is an endorsement of our innovative outlook towards the evolving digital ecosystem. We are pleased to have started thinking about the OTT challenges well in advance, and we thank our long term partner AsiaInfo for their support in implementing our ideas successfully. "

Tiang Rong, Business Manager, China Telecom Group