

CASE STUDY

Bouygues evolves digital services with long-term partner DOCOMO Digital



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Introduction

Bouygues Telecom, a leading mobile operator in France, moved to increase uptake of digital services among its mobile subscriber base of nearly 12 million and create new revenue streams back in 2013 when it started partnering with DOCOMO Digital, a major mobile commerce enabler.

DOCOMO Digital implemented Google carrier billing for the operator, allowing subscribers to easily, quickly and securely purchase digital goods and services, such as apps, music, books and movies, via their mobile phone bill.

The new direct carrier billing (DCB) payment method, which instantly allowed more customers to purchase paid content, enabled Bouygues Telecom to focus on its core competencies, as the payment technology architecture can be flexibly adapted to existing payment interfaces and billing systems. This guaranteed a quick and cost-effective mobile payment integration with Google Play, and other app stores.

DCB is a popular mode of payment for digital services in both advanced and emerging markets, as it allows faster and frictionless transactions in digital stores, while providing strong transparency and control over purchases for subscribers.

Bouygues Telecom followed up the integration with Google by selecting DOCOMO Digital in 2015 as its partner to expose APIs to merchants in a standard way. The next year it worked with DOCOMO Digital to introduce Spotify music services to subscribers and in 2017 it offered Netflix content.

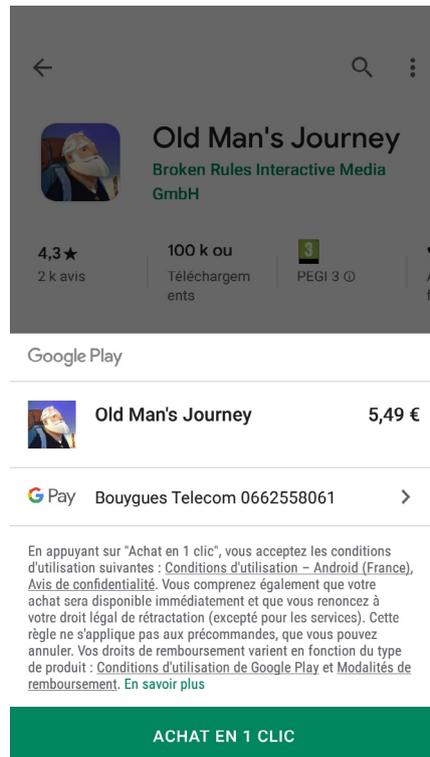
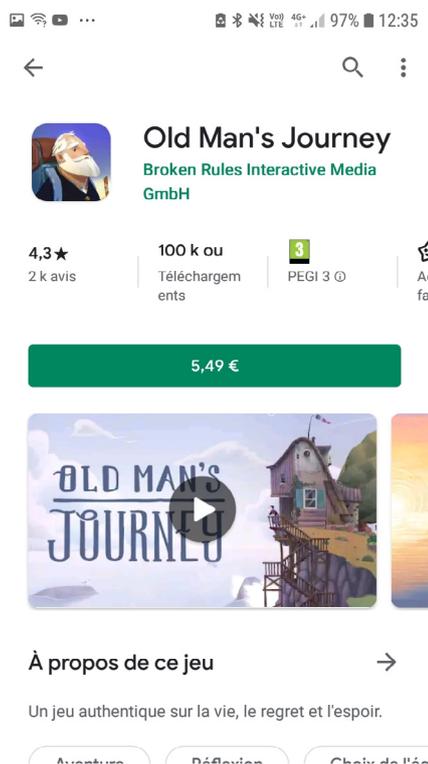
Franck Semanne, head of carrier billing at Bouygues Telecom, admitted it had an obsolete billing platform, with the functionality supported by several older internal systems. “We needed to modernise our solution to simplify exposure of our carrier APIs. We selected DOCOMO Digital’s system which allowed us to bring in new mass-market merchants in a standard and industrial way thanks to the APIs it exposed to merchants.”

The operator was the first in France to offer OTT services such as Netflix and Spotify, Semanne said “because we were able to rollout quickly in a simple way, without the need for us to do any development on the telecoms side”.

Time-to-market

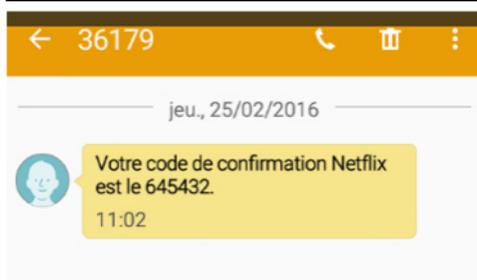
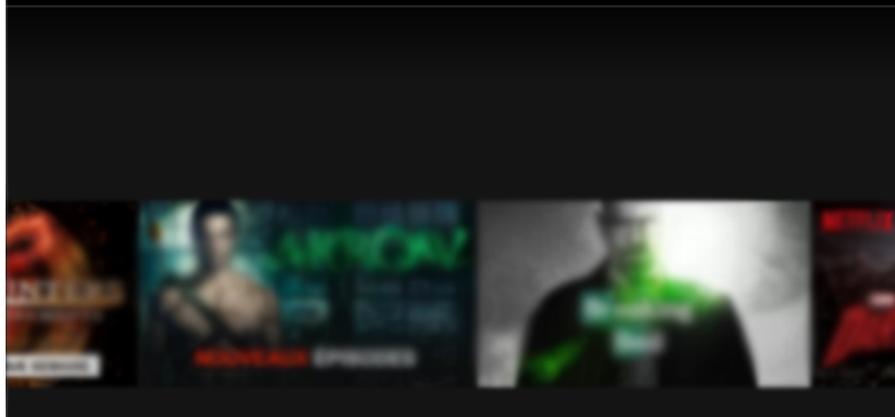
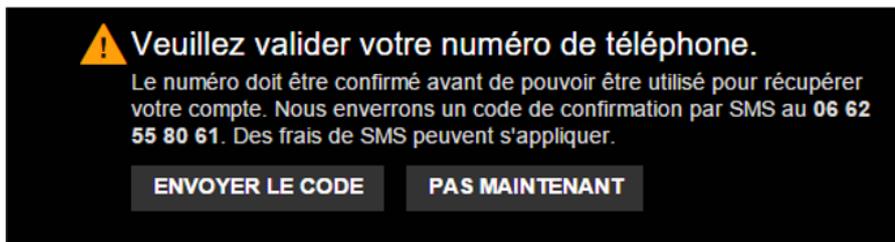
Its partner was in charge of matching the complexity of its systems with the needs of OTT merchants. “That was very helpful for us. More generally, we believe they are the right partners in our endeavor to become more agile and develop additional carrier billing services over the long term.”

Bouygues Telecom was able to launch the Netflix service in just six weeks, while it took less than a month to introduce Spotify. “Both launches were very quick, which was exactly what we expected from DOCOMO Digital and is why we chose to work with them in the first place. If we were to implement this kind of project in-house, it probably would have taken nine to twelve months. Time-to-market was very short.”



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Ticketing



DOCOMO Digital also supported Bouygues Telecom's move into ticketing for public transportation, first using an SMS mechanism four years ago. The service is now available in 16 cities in France.

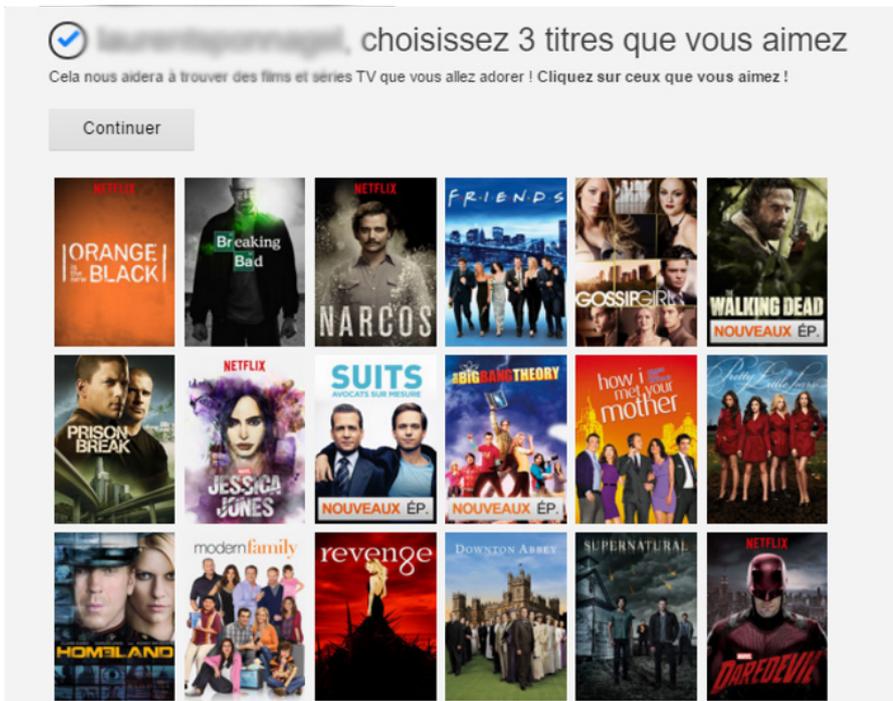
Semanne explained the operator has wanted to move into in-app and web ticketing, and thanks to DOCOMO Digital, "we have been ready since the beginning of the project. But compared with the other operators in France, we are really advanced and are now working with other operators on in-app ticketing. It was very easy working with DOCOMO Digital, and it's a little bit frustrating to have to wait for the other carriers to develop this market."

He said it's seen quick adoption from customers. Users simply text a short code to receive a unique ticket that can be used for any type of public transport, such as subways, buses and trains. Commuters can purchase tickets at the last minute, the charge goes to their mobile bill, and they don't have to stand in line – so it is fast and easy.

The ability for operators to offer carrier billing for ticketing was introduced in Europe with the new Payment Services Directive (or DSP2) – before the new regulation came into force, operators were only authorised to offer digital services with carrier billing. After DSP2, it was expanded to include ticketing and charitable donations.

Last year the operator's ticketing usage grew around 50 per cent.

Next level



Since the beginning, Semanne said DOCOMO Digital has always been proactive in providing new ideas, new features to improve the business, and more importantly “we are now at a new level with the migration of our existing value-add services business and we can guarantee that our business is as healthy as possible”.

Discussions about migrating off its legacy value-added services ecosystem started two years ago. “It was a long and complex process internally to get off the ground. The project has been launched. We know DOCOMO Digital will be ready before us, and we hope to implement this by the end of the third quarter. It was a logical move after all the previous projects they implemented for us. We also believe the company will fully support us in the integrating of new technologies in carrier billing, such as RCS and Mobile Connect.”

Qui regardera Netflix ?

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“It was a logical move after all the previous projects they implemented for us.”

Merchant benefits

Merchants lose a great deal of business because many consumers are reluctant to use credit cards online due to security concerns and entering the information via a handset can be cumbersome. Based on data from merchants, the conversion rate for a merchant offering digital services using DCB is between 5- and 9-times higher than credit cards.

While benefits of DCB on the operator's topline are clearly discernible, it is less simple to gauge the impact on customer experience and loyalty. Semanne said DCB clearly allows operators to work more closely with merchants as a net positive.

Research shows ARPU for carrier billing users is about 30 per cent higher than other users and carrier billing subscribers consume twice as much data as non-users, meaning operators generate additional value from subscribers using higher priced plans or pay for extra data.

"DCB helps us offer compelling digital services to customers, such as gaming, and to grow revenue and improve margins. Like most operators across the world, the price of mobile plans is very low, so any services supported with carrier billing is really helpful to improve revenue and margins," he explained.

Use of digital services is increasing about 30 per cent each year.

Semanne said DOCOMO Digital, since the beginning, was committed to a high-level of service and development during the integration process, as well as during the platform improvement releases.

"We were able to evolve our business to another level, speeding up merchant integration and opening up to a new world of revenues. We see DOCOMO Digital entirely ready and eager to support our new initiatives when it comes to IoT and the evolution of alternative payment methods."

“ARPU for carrier billing users is about 30 per cent higher than other users and carrier billing subscribers consume twice as much data as non-users.”

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Driving digital services adoption

DOCOMO Digital is the largest integrator of Google Play store, with more than 45 integrations enabled worldwide, offering mobile operators a platform it has continually enhanced as its understanding of the mobile payment ecosystem matures.

Not only can operators give customers a simple and secure way to purchase content and services, telcos can drive traffic to app stores with limited-time bundles and cash-back offers. The platform, which can reduce bad debt for merchants to less than 1 per cent, provides unified settlement and reporting, compliant with merchant SLAs, for all app stores.

In addition to the ease-of-use of direct carrier billing, the platform delivers scale, end-to-end subscription lifecycle management, sophisticated fraud prevention and advanced analytics.

New regulations in many countries also make it possible to use carrier billing in segments that have traditionally not used it before, such as public transportation.

DOCOMO Digital has touched billions of lives with more than \$3 billion in transactions every year. It is committed to solving the challenges of scale, customer acquisition, regulation and complexity for its partners.

DOCOMO Digital is a wholly-owned subsidiary of NTT DOCOMO, listed on the Tokyo stock exchange.



DOCOMO Digital is the mobile commerce-related business of NTT DOCOMO, one of the world's leading mobile carriers. We partner with a multitude of carriers, merchants, app stores, OTT services and payment providers globally. Our Payments portfolio solves the challenges of scale, customer acquisition, regulation, and complexity for our partners. We enable telecom carriers to grow their digital revenues while improving customer loyalty and lifetime value. For digital brands, our platform and carrier bundling services catalyse acquisition of new subscribers, especially in emerging markets. And Alternative Payment Methods (APMs) like mobile or e-wallets can offer access to international merchants to their consumers, with our simple API and international payments' settlement facilities.

For more information, visit www.docomodigital.com or www.docomopayments.com or find us on LinkedIn or Twitter.



As a full-service electronics communications operator, Bouygues Telecom stands out by providing its 15 million customers access to the best technology has to offer on a daily basis. The very high quality of its 4G mobile network and of its fixed and cloud services provides customers with simple solutions, enabling them to fully enjoy their digital lives, regardless of their location. Bouygues Telecom is proud of the innovations it has offered to its customers over the last 20 years. It continues to pursue the same strategy of providing new technologies to as many people as possible.

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