



Sponsored Data Services

BEST PRACTICES FOR SPONSORED DATA:

- Sponsored data opportunities should be equally available to all who provide internet content, applications or services, at a consistent unit price for the data.
- Sponsored data traffic should not be prioritized beyond reasonable network management.
- Leverage a streamlined set of open APIs and documentation to ensure maximum accessibility to all potential sponsors.

Unlock new revenue streams and create value with third-party sponsored opportunities

MARKET OVERVIEW

As the consumer market slows and the average revenue per user (ARPU) continues to go down, alternative strategies are needed to maintain profitability and a positive position in the market. Both of these needs can be addressed with a sponsored data strategy that complements other service differentiation activities.

Sponsored data opportunities can take many different forms, but broadly speaking it transfers accountability to a third-party, who pays for the data on behalf of the user. If executed well, all three parties – operator, user, third-party sponsor – benefit from the transaction.

The transaction relationship and subsequent benefits can be outlined as the following:

- From the perspective of the network operator, the benefits can include a new revenue stream, market differentiation, customer retention, positive exposure via co-branding, and many more.
- Third-party sponsors, especially advertisers and businesses, gain access to a new promotional channel and a large, well-defined audience that can be micro-segmented to fit campaign needs.
- Users benefit from free data and other promotional offerings.

In terms of the model, the options are endless, but some common options include:

- Sponsored advertisements: users watch an advertisement in their provider's self-service web portal or application, which is purchased and produced by a third-party, and in exchange for watching a nominal data amount is added to their account.
- Sponsored promotions: users get free data when they purchase a third-party's product or service. Third-party sponsors, typically complementary companies to data services, are billed for the usage (by time or volume) when redeemed. Operators immediately benefit from revenue and retention, but can potentially also benefit from users converting to a premium offering once the promotion has ended.
- Sponsored locations: users get network access in key, public locations (transit, airports, stadiums, tourist attractions) with third-party sponsors paying for the usage and receive the brand benefits associated with delivering the free service. Additionally, some operators create upsell opportunities for sponsors and can use and provide aggregated data back to sponsors.

Aside from the obvious application and target of advertisers, sponsored data can also be leveraged by other parties such as government departments, banks, and utilities companies. The goal of these additional parties isn't advertising or promotional activities, but rather ensuring that internet access is made available for services deemed a "necessity" to all users, regardless of economic standing.

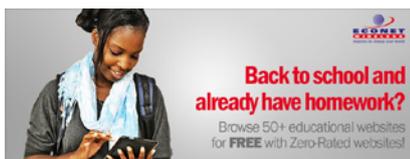




Figure 1

Sandvine's Quota Manager can manage multiple quotas and the complexity of counting sponsored data traffic



Sponsored data can enable the internet equivalent of a toll-free number

From the user perspective, they either receive access to life-changing resources, such as educational sites, or services traditionally delivered by phone for free but instead through a "Toll Free" web-based service.

SOLUTION OVERVIEW

Sandvine enables network operators to create, deliver, and manage sponsored opportunities that make sense in their market in order to reap ongoing market and operating rewards.

Sponsored Data Services leverage Sandvine's leading policy and charging control capabilities to ensure the following:

- Accurate identification of traffic (generic or URL/application specific)
- Correct association of user and sponsored usage
- Flexible data options (volume or time) to offer sponsors
- Precise usage and billing records for sponsors
- Valuable user insight – behavior and demographic – to unlock further monetization and up-sell opportunities

In addition to these capabilities, Sandvine offers deployment alternatives such as its API integration with Free Basics by Facebook, which gives access to a simple version of Facebook for those who can't afford the data needed to run the full version.

Some network operators have already come to the determination that incorporating sponsored data into their strategy can improve profitability, among other benefits, and now have whole programs dedicated to attracting and managing sponsored data opportunities.

With Sandvine, successfully lead the market with sponsored data services to take advantage of an up-and-coming form of advertising and an additional revenue stream.

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ABOUT SANDVINE

Sandvine helps organizations run world-class networks with Active Network Intelligence, leveraging machine learning analytics and closed-loop automation to identify and adapt to network behavior in real-time. With Sandvine, organizations have the power of a highly automated platform from a single vendor that delivers a deep understanding of their network data to drive faster, better decisions. For more information, visit sandvine.com or follow Sandvine on Twitter at [@Sandvine](https://twitter.com/Sandvine).



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