TATA COMMUNICATIONS

PORTFOLIO : SERVICE

SECURING PROFITABLE GROWTH FROM A2P MESSAGING TRAFFIC

MOBILE NETWORK OPERATORS ARE LOSING POTENTIALLY MILLIONS OF DOLLARS IN REVENUE 'MOBILE MESSAGING EXCHANGE' APPLIES SMS ASSURANCE TO PROTECT REVENUE AGAINST SPAM AND GREY ROUTING

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MARKET BACKGROUND

Although A2P SMS traffic termination accounts for a relatively small proportion of overall messaging traffic worldwide, it nevertheless presents mobile network operators with a continuing opportunity for revenue growth. But mobile messaging traffic is becoming increasingly complex. This means mobile network operators (MNOs) face both the challenge of detecting multiple message types, and ensuring their networks are not subject to high volumes of messaging spam or potentially fraudulent messaging usage.

So-called 'grey routing' – whereby the message originator/sender does not have a commercial agreement or relationship with the receiving operator, so the traffic cannot be charged for – is just one example of the messaging misuse that MNOs face. And it is a phenomenon that costs millions of dollars in lost termination fees. Grey routes not only increase costs and take up network capacity, they also artificially reduce prices to third parties that would otherwise be charged a higher standard rate for A2P traffic termination through a legitimate provider.

THE PROBLEM

The reality is that some A2P aggregators, if using a sponsored Global Title (GT) model continue to deny MNOs the chance to realise the full market potential of the messaging traffic they are terminating. However, getting a clear picture of exactly who is sending traffic, and how much, as well as being able to control the number and type of messages, is difficult. Spoofing, spam, grey routing and SMS bypass fraud are just some of the practises either resulting in revenue leakage or end customer dissatisfaction.

There's also the issue of trust building between MNOs and A2P message originators, not to mention the challenges of identifying and working with multiple legitimate A2P messaging aggregators to build messaging termination volume. MNOs face a high overhead managing multiple A2P partners and may not always have the required reach to the messaging originator community to be able to exploit A2P SMS revenue potential. Another concern is that some SMS hub providers send a mix of A2P SMS and P2P SMS without properly differentiating the two.

THE TRADITIONAL OPTIONS

Until recently, MNOs aiming to manage and monetize A2P messaging traditionally had two main choices. They could:

• **Establish their own SMS termination ecosystem.**

This approach uses GSMA AA.19 agreements and SMS firewalls for spam and spoofing protection. However, it requires MNOs to invest in their own platforms and expertise – and does not overcome the trust or reach issues already identified

• **Rely on Open Connectivity 3rd party SMS hubs.**

This model does not cover bilateral SMS agreements where SMS bypass can take place. SMS hubs may not disclose the mix of P2P vs A2P traffic – with some not providing effective firewalling either.

A SIMPLER, BETTER SOLUTION

The above alternatives are not wholly satisfactory. That's why Tata Communications has worked to establish a mobile messaging exchange – an ecosystem that applies the principles associated with P2P messaging hubs for the A2P messaging environment. This approach ensures high-quality SMS termination from messaging originators, including over the top (OTT), business enterprises and A2P aggregators, directly to the MNO. And, at the same time it avoids grey routing and multi-hop routing. With the mobile messaging exchange model, Tata Communications negotiates messaging termination with an MNO. Then it 'sells' this termination capacity to A2P messaging originators.

An optional component of the mobile messaging exchange is an SMS Firewall. While A2P agreements alone are not going to protect networks from revenue leakage and fraud, the SMS firewall does just that. In addition to safeguarding the MNO network, the SMS firewall gives visibility and control over the volume and type of A2P SMS terminating in the network. It can also apply complex filtering rules (to prevent spam, faking, spoofing) as required. With the SMS Firewall in place, it is possible to detect grey route traffic, and reclaim potential lost revenue to enhance your mobile messaging monetisation strategy.

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HOW DOES MOBILE MESSAGING EXCHANGE WORK?

The mobile messaging exchange model works very simply.

Tata Communications:

1. Invites an MNO to sign an agreement for paid A2P SMS termination

2. We sell capacity purchased from an MNO to A2P message traffic originators

3. We manage the routing required for SMS termination

4. We configure the managed SMS firewall (if required) for A2P SMS terminated over SS7

5. We report monthly on SMS terminated into the MNO network, with the MNO generating an invoice based on this information for Tata Communications to settle.

Increasing revenue from A2P SMS is simply a matter of applying new processes to recover revenue from existing traffic

Tata Communications Mobile Messaging Exchange

- Dedicated A2P Messaging Hub, no blending of A2P and P2P traffic

- Managed In-Premise SMS Firewall detects grey route traffic for revenue recovery

- Blocks SPAM and potentially fraudulent traffic

- Connecting to Mobile Messaging Exchange requires no extra CAPEX

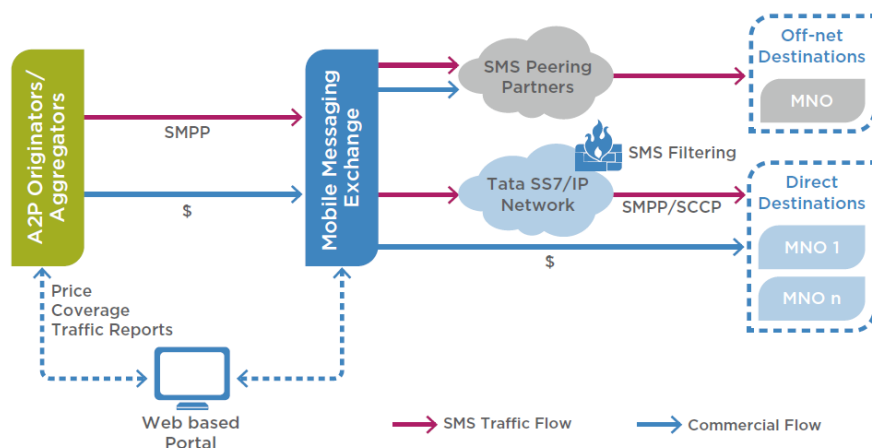- We bring traffic and a source of revenue for an MNO

Figure 1: Tata Communications Mobile Messaging Exchange Traffic and Revenue flows.

WHY TATA COMMUNICATIONS MOBILE MESSAGING EXCHANGE?

With potentially millions of dollars lost every year to grey routing abuse alone, Tata Communications' SMS firewall provides an effective and proven way for an MNO to assure an A2P messaging revenue stream.

The Mobile Messaging Exchange is a fully-hosted platform that eliminates any need for CAPEX investment and significantly reduces resourcing and OPEX requirements. As a single point entry for all incoming A2P SMS traffic, the exchange simplifies the process of inter-connecting with the fragmented A2P messaging originator community.

Tata Communications is one of the largest and most successful wholesale communications companies and SS7 signalling providers in the world. With unmatched infrastructure and technical capabilities, we can deliver win-win A2P termination quality for MNOs and A2P messaging originators alike. Our size and reach means that our wholesale buy/sell model is transparent and widely understood.

For more information, visit us at www.tatacommunications.com.

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About Tata Communications

Tata Communications Limited (CIN no: L64200MH1986PLC039266) along with its subsidiaries (Tata Communications) is a leading global provider of A New World of Communications™. With a leadership position in emerging markets, Tata Communications leverages its advanced solutions capabilities and domain expertise across its global and pan-India network to deliver managed solutions to multi-national enterprises, service providers and Indian consumers.

The Tata Communications global network includes one of the most advanced and largest submarine cable networks and a Tier-1 IP network, as well as nearly 1.5 million square feet of data centre and collocation space worldwide.

Tata Communications' depth and breadth of reach in emerging markets includes leadership in Indian enterprise data services and leadership in global international voice.

Tata Communications Limited is listed on the Bombay Stock Exchange and the National Stock Exchange of India.

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