

# The Power of Usage Based Billing

OpenVault – the industry’s only SaaS partner that can leverage subscriber usage behavior at a granular level in order to gain actionable insight – can identify and help broadband providers launch Usage Based Billing (UBB) plans to subscribers yielding millions of incremental dollars.



## WHY UBB



- **Increased high-margin ARPU** (alignment of growing broadband demand with growing revenues/cash flow)
- **Reduced risk** of future unforeseen usage growth which drive expenses to keep up with demand without also driving revenues
- Subscribers voluntarily right-sizing their bandwidth needs resulting in **higher customer satisfaction ratings and improved Net Promoter Scores**
- **Improved key operational metrics** including fewer calls into customer care and reduced truck rolls
- Abusers **curtailing their usage**, thus mitigating the negative impacts on network health

## MINI CASE STUDY

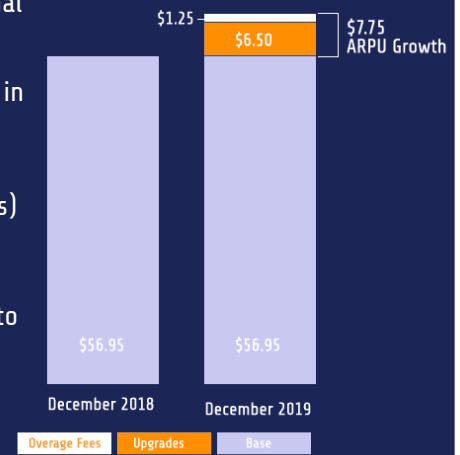
### BACKGROUND

- 30K Subscribers
- Educated subscribers and trained internal teams using OpenVault’s solution for 3 months prior to launch
- Announced UBB program to subscribers in 10/18 and launched UBB 1/19

### RESULTS

- **ARPU growth of \$7.75** in Year 1 (13.6% Increase in monthly broadband revenues)
- \$6.50 of that ARPU increase was due to **voluntary upgrades** (Not Overage Fees!)
- 40% of impacted subscribers upgraded to higher tier plans
- **Net Promoter Score increased 30%** from the previous year
- **Only 2.5% of subscribers** impacted by overage fees

### \$7.75 ARPU Growth



## UBB Impact on ARPU and Revenue

### Assumptions

% of Subs Impacted	5%
Overage Fee/Usage Block	\$10/50 GB
% Subs Upgrading/Month	3%
Max Overage Fees	\$50

**\$23M+**

	EOY ARPU Growth Forecast	Total Revenue Impact
Year 1	\$5.26	\$3,986,901
Year 2	\$8.86	\$7,957,719
Year 3	\$12.46	\$11,928,528
<b>3 Year Total Revenue Growth</b>		<b>\$23,873,148</b>

Analysis based on actual September usage from 10,000 Northland subscribers; ARPU impacts extrapolated to cover 90,000 total subscribers

## 10 YEARS OF INDUSTRY LEADERSHIP

OpenVault serves 150+ broadband operators in the US, Europe, APAC, LATAM and Caribbean markets. We’ve helped them improve annual revenue by 100s of millions of dollars and we do so for more operators than any other broadband-focused software vendor in the world. No other company knows more about cable, fiber and wireless broadband subscriber usage behavior and how to use network data to drive revenue, reduce costs, better manage networks and improve customer satisfaction and retention than OpenVault.

