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Wi-Fi: A Powerful Customer Retention Tool for Service Providers

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In today's competitive economy, customer retention is a high priority for service providers looking for new ways of not only sustaining revenue, but for generating new opportunities as well. Unfortunately this critical audience – your key "bread and butter" base, on whom you've already spent valuable marketing dollars convincing, and winning, their business – is constantly being courted by competitors looking to expand their marketshare.

And customers are responsive to these pitches. They are constantly reevaluating their service and are on the lookout for a better deal. Also, not too far on the horizon is mobile broadband offered by the wireless carriers using advanced high speed broadband technologies, which will become a viable alternative to fixed broadband technologies such as cable, DSL and fiber and is potentially opening up a new field of competitors to the fixed broadband Internet operators of today.

So, how can you keep existing customers, now and in the future? Especially when new services, options, even lower priced alternatives are constantly being trotted out by competitors?

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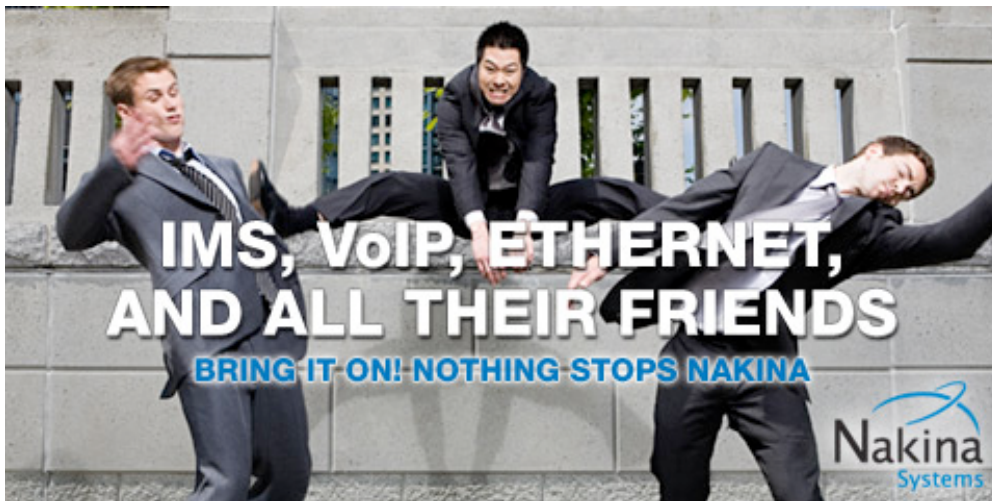
Wi-Fi, or wireless Internet access, is fast becoming a critical customer retention tool. It's being proven successful by some of the largest cable companies and service providers here in the U.S. and abroad. It is quickly proving to be a great way to keep existing subscribers interested in the whole of

a service provider's offerings, and maintain their loyalty even when new offers – even lower-priced competitors – are knocking at their front doors.

Think of it: workers are going mobile in increasing numbers. iPhones work fastest on Wi-Fi, which makes that preferred by users; laptops with built-in Wi-Fi are everywhere. In fact, literally any device will soon be networked. For instance Sony stated recently at 4G World that they want 90 percent of their electronic products to wirelessly connect to the Internet by 2011. The general public is mobile as well, making wireless broadband one of the highest priority services available. It makes sense for service providers to offer wireless Internet as a competitive differentiator to alternative services. The demand is there.

No wonder people generally feel that their iPhones, laptops or other mobile devices seem to breathe new air of speed when connected to Wi-Fi – the 54 Mbps version (802.11g) has been around for several years and many new devices are sporting the latest addition, 802.11n, which can bring speeds of several hundreds of Mbps. The current offering by the wireless carriers using cellular technologies is a far cry from these speeds. Furthermore, many fixed broadband service providers have a very high capacity core and backbone network just waiting to connect to the faster wireless end-points that Wi-Fi can offer.

A case in point is Cablevision, in New York. In the past few years they've gone head-to-head with other telco incumbents, and wireless companies as well, offering phone service, VoIP and broadband Internet to homes and businesses throughout the tri-state area. Recently, they've initiated a program offering free outdoor Wi-Fi to existing Cablevision customers. The Wi-Fi is available at commuter train stations, in parks, marinas and sports fields and a wide variety of busy hubs.

Using Wi-Fi for customer retention is also a model being proven outside the U.S. In Norway, Telenor (a leading mobile operator) is using Wi-Fi as an offload vehicle for cellular data services.
This is a typical scenario, as the 3G networks in Europe (as well as in the U.S.) are increasingly becoming congested with traffic. What's happening is that many operators are beginning to leverage smart clients to allow subscribers to seamlessly roam between 3G and Wi-Fi.

Being able to offload some of the 3G traffic to a Wi-Fi network speeds up traffic in increasingly crowded markets. This quickly becomes a tremendous competitive advantage for the smart service provider that's been looking ahead.

Simplifying OSS/BSS
Interestingly, billing can also serve as a retention tool. When billing is complicated, as can be the case when integrating Wi-Fi service into an overall package with, say, cellular, it's a chance for subscribers to look for an easier solution unless this is done correctly. A key aspect with offloading to Wi-Fi is to make sure that the subscriber's identity, service profile and end-user experience is handled consistently while traversing between networks of different wireless technologies and provides the operator with sufficient information of usage in both networks to cater to the ability to ensure a high service level. Tight integration with existing billing can ensure a simplified process.

Partnerships with other service providers and wireless network operators can address automatic roaming and ensure that Quality of Service is maintained for their subscribers while in other networks. Offering a mix of payment alternatives -- via SMS, pre-paid, loyalty programs, credit cards etc. -- also enhances the customer experience for nomadic users still not set up for automatic roaming.

Additionally, multi-access support from the same subscriber management system is important to get service transparency when roaming between different access technologies such as cable, WiMAX and Wi-Fi.

Managing the End-User Experience
Adequate service management is also one of the most important ways to keep existing subscribers happy – and encourage them to stay put – by managing the end-user experience in a smart, positive way. Service management is the glue between the radio network with its users and the service provider's legacy OSS/BSS systems. It is where services are defined and personalized, and policies enforced to control which users access the Internet, their service level and billing. In a nutshell, service management is where ensuring a great end-user experience comes into focus.

The service management system can prioritize allocation of available bandwidth to ensure the right Quality of Service (QoS) to meet service level agreements. It can ensure that no single user is consuming all bandwidth by automatically distributing available bandwidth between users with the same service level agreement.

An advanced service management system can automatically log-in returning users based on their device's unique address. It can also offer plug-and-play capabilities that are specific to the unique capabilities of different devices. This is especially important for tier 1 cable operators starting Wi-Fi services because of the large volume of active users.

Support for roaming and pre-enabled support for roaming aggregators is another important feature especially for operators that do not build their own Wi-Fi capacity. One way to obtain Wi-Fi capacity is of course to acquire a number of smaller Wireless Internet Service Providers (WISPs), while another strategy is to enable connectivity through other existing Wi-Fi networks with excess capacity. The revival of Wi-Fi for larger operators as a customer retention tool will put legacy service management systems to the test, a test that many systems may not pass. We can thus expect a consolidation and replacement of the current hotspot systems to carrier-grade next-generation wireless service management systems that have the functionality, scalability and stability to support a large-scale operation.