

# AN INTERVIEW WITH DOCOMO DIGITAL



Future Digital Awards Platinum Winner: Best Carrier Billing Provider

## Juniper Research Future Digital Awards Platinum Winner: Best Carrier Billing Provider



*Juniper Research interviewed Jonathan Bennett Chief Commercial Officer at DOCOMO Digital in February 2021*

### 1.1.1 How do retailers, commerce providers and operators benefit from DOCOMO Digital's carrier billing services?

Operators recognise traditional revenue are being eroded. Voice and data services are being commoditised. Their networks are incurring heavy capital expenditures and they are also outlaying a lot of capital in setting up 5G services.

To scale, these operators need new streams of revenue. Carrier billing is one of these. Operators are aware of this, and they know it is not enough to just enable it for app stores alone. There needs to be other use cases that are adopted for the growth and traction of carrier billing services.

The pandemic has acted as an accelerant for eCommerce, as there is more content being consumed. Operators can exploit the existing user base to offer alternative payment mechanisms for services that experience a greater uptake, as a result of the pandemic. In turn, these service providers can reduce churn rates amongst their subscribers.

DOCOMO Digital works with multiple large operators who offer services in multiple countries, as well as operators who only work in a single country. We have certainly seen several progressive operators not shying away from the opportunity of carrier billing, and they are looking to increase their share in the digital wallets space.

Digital merchants are expanding and we expect them to be underserved by traditional payment methods, such as credit cards. Not only can carrier billing offer them an alternative payment method, but it can also enable them to grow at scale. However, they need a carrier billing partner, such as DOCOMO Digital, as they cannot grow at scale by themselves.

*By having DOCOMO Digital as a carrier billing partner, service providers can scale their carrier billing operations much more efficiently than on a standalone basis.*

### 1.1.2 What has DOCOMO Digital experienced in the carrier billing space over the last 12 months?

The pandemic has caused a spike in transactions. We have seen spikes between 30% and 60% in instances such as app stores. Areas such as gaming and video apps were predicted to experience these spikes.

However, there has also been increased traction of carrier billing in areas in which we did not expect; B2C software, such as file sharing and video editing, has seen an increase, mainly because a growing number of people are now working from home.

Additionally, we have seen an increased spend in the healthcare space. There have been spikes in spending across traditional health and lifestyle apps, as well as more non-traditional areas such as meditation.

There have certainly been new areas of demand arising from the pandemic, and operators are never afraid to ask: 'Who are the most interesting merchants in the space?'

As 5G services have begun their roll-out, we have found that OTT video partnerships are the best way to showcase new capabilities such as 4K and 8K streaming, cloud gaming and faster downloads. That is being made possible by having a roster of merchants they have partnerships with. They cannot do that one at a time – they need an aggregator such as DOCOMO.

### **1.1.3 What progress has DOCOMO Digital made in the carrier billing space over the last 12 months?**

We want to make our platform more robust, so we are continuing to migrate our services to the cloud. Our aim is to migrate 100% of our operations to the cloud in the future.

Additionally, we are making great strides in developing risk and fraud management solutions. We will continue improving our analytics capabilities to manage lifecycles and transaction journeys. This is driven by our desire to offer our clients as much peace of mind as possible.

### **1.1.4 How is DOCOMO Digital preparing for the anticipated increase in spend over carrier billing?**

Our forecasts for carrier billing transaction volumes will be realised much sooner than we first thought, but we want to be the carrier billing platform to capitalise on it. As a result, we are going to be doubling down on two areas:

- Making sure the CX and UX are completely native: We will make sure that our platforms and services are simple and completely seamless for the end-user, by improving the in-app experience.
- Ensuring we have enough checks and balances built into our platform for limits and the mitigation of bad debt. We will be using AI to help operators and merchants manage these bad debts. We want to position our customers so that they are confident in the redundancies we have available and not have to worry.

### **1.1.5 What are DOCOMO Digital's plans for the next 12 months to expand its carrier billing presence and innovation?**

We expect to continue our position as a leader in the carrier billing space. We will offer the ability for merchants to offer relevant agnostic payment capabilities and focus on local needs and available payment options.

We anticipate that there will be 4 key areas of growth over the next few years:

- OTT Video & Audio
- Mobile Gaming

- Productivity
- Healthcare & Lifestyle

Additionally, carrier billing is becoming increasingly attractive as the charges continue to decrease and are more closely aligning themselves to the charges we are seeing in credit cards.

DOCOMO Digital wants to be a partner of these merchants and support their growth by improving their revenue streams.