

New threat to mobile network operator revenues

Submitted by: XL Communications

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- Growth in 'OTT Bypass' revenue losses across the globe
- OTT Bypass identified in South America, Europe, Middle East and Asia in past month
- Significant International Termination and Roaming Losses

Mobile anti-fraud and revenue protection specialist Revector (<http://www.revector.com/>) today warned mobile networks of explosive growth in a new threat to revenue – Over-The-Top (OTT) Bypass call termination or OTT hijacking.

OTT Bypass happens when OTT app providers terminate calls through an OTT app that have begun life as a normal fixed or mobile telephone call. Research by Revector has identified huge global levels of OTT Bypass, causing revenue losses to telecommunications operators of tens of millions of dollars.

Whilst OTT to OTT calls are fair competition to telecommunications networks, there is an increasing trend for Voice over IP apps to divert calls away from the telecommunications networks and to terminate them within their apps. When this happens the OTT app providers receive fees for connecting the call that would otherwise be collected by the telecommunications network.

On the eve of Mobile World Congress, Andy Gent, CEO of Revector, believes that OTT Bypass could pose the most significant threat to telecommunications operators for years – potentially costing them as much as 30% of overall revenues.

Gent comments: "In the past month we have detected OTT Bypass (<http://www.revector.com/index.php/ott-bypass-detection/>) across the globe with several operators reporting a reduction in termination call revenues of 25%, month on month. We have seen calls that have been made from one mobile phone number directly to another be received on a Viber app across three different continents and more than 15 network operators and national telecommunications regulators have contacted us regarding this issue in the past two weeks."

By terminating calls and removing revenues from the networks, OTT apps are reducing revenues generated by operators who are responsible for maintaining network quality. Ultimately this could lead to a poorer telecommunications experience for users.

As well as the losses on International terminated minutes this practice is having an significant effect on roaming revenues from inbound roamers and from subscribers travelling abroad. A number of operators are seeing significant losses during religious holidays or festivals.

"Hundreds of mobile users have expressed surprise when receiving calls in a voice over IP app rather than directly from a colleague or contact," continues Gent. "Indeed some OTT providers are making their default settings to connect normal calls via their apps wherever possible. Continual APP updates are difficult for users to find. This is not transparent to users who rightly wonder why a call made from one mobile number to another is being connected in a messaging app."

“Revector’s unique detection software can help fixed and mobile operators understand the nature of the threat to their revenues and what they can do to overcome this.”

Revector has published a short summary of the threat posed by OTT Bypass. Network service providers can request this information at <http://www.revector.com/index.php/contact-us/>

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About Revector:

Founded in 2001, Revector creates products and services that enable telecommunications companies to quickly and effectively counter fraud. Working with operators including Vodafone, Bharti Airtel, Hutchison Three, Zain, Digicel, Etisalat, Telenor, Tele2, Tigo, MTS, NTT DoCoMo, Rogers, T-Mobile, and Cable & Wireless, Revector’s products have enabled mobile network operators to remove millions of dollars’ worth of fraudulent activity from their networks.

In 2013 Revector was one of only four UK companies to be awarded two Queens Awards for Enterprise – in Innovation and International Trade – the highest official UK awards for British businesses. The company was also identified as one of the 30 most innovative UK mobile companies by Real Business.

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