Current QoE Business Model Limitations

Current QoE business model limitations consist of:
- Best effort approach with strong limitations on classes differentiation.
- Value chain focused on its own limited roles.
- Walled garden revenue scheme model.

The solution goes through the evolution of obsolete QoS models towards QoE based ones, taking as major premises two main aspects: a QoE B2B model development and a proper QoE End-user Market analysis and strategy.

QoE End-user Market

The End-user potential market has been addressed from the evaluation of two main issues:

1. MARKET DRIVERS AND/OR SHOWSTOPPERS:
   - The success of the introduction of QoE to end-users depends on several factors which may positively or negatively impact their affinity and willingness to pay. There have been identified three key factors which impact the QoE consumption covering the technological, social and legislative fields.

   Net neutrality achievement and the current legal piracy vacuum entails significant lower business perspectives for countries where P2P file shares constitute an illegal activity.

2. STUDY OF END-USER QoE POTENTIAL AFFINITY:
   - Is there a will from the end-user side to acquire and pay for QoE services? The analysis has been carried out for 6 European countries and the overall EU-27 former states. The study has been conducted based on the measurement of the end-user Potential market demand (EuPM):

   \[ \text{EuPM} = N * v * v + \text{WP} \]

   \( N \) and \( v \) represents the End-user QoE affinity

QoE B2B Model

The B2B model relies into two basic pillars: the market convergence and the agreement of B2B win-win alliances.

1. MARKET GLOBAL CONVERGENCE:
   - Telecom markets can be combined into three global markets located in two main levels: application service and network service levels (Fig.2), which represent a convergent environment. Among the 3 defined markets two possible options may take place to determine whether or not they become strategic partners: "potential alliance" or "war". The regulation action bets for network neutrality to promote and guarantee Telecom market competence.

2. B2B WIN-WIN ALLIANCES:
   - Most relevant potential alliances have been identified between the following markets:

   Operators – Equipment P.
   Operators – Service/Content P.
   Operators – Operators
   Regulation – Global Market
   Advertisers – Global Market.

Most important requirements that markets should achieve, focus on partnering strategies leading for a revenue distribution model (and in the context of the NRP), rather than just on end-users products and packages.

Business Model Approach for QoE Optimized Service Delivery

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Introduction

Current B2B models are not able to cover neither customer expectancies in terms of quality and personalization, nor the requirements of providers, while reaching the customer in a satisfactory way. Network, service and equipment providers are tied to traditional business models, missing the opportunity to increase their revenues derived from the integration of Quality of Experience (QoE) models in their frameworks. From this situation, the question which arises is whether or not exits a niche for the QoE, or alternatively, which are the key drivers that may lead value chain actors to include QoE B2B models in their strategies to reach the customer?

The main issue of this work address this question through the definition of a novel approach for a QoE B2B model driving innovation through alliances among operators and providers and a revenue distribution model. We also address the relation of the B2B model with the end-user market: there have been identified the key factors which may (positively or negatively) impact users’ QoE affinity. Additionally we perform a quantitative analysis. The results show that it really exists a niche for QoE development, but highly subjected to the NRF and the involved value chain actors.