

4G LTE Dynamic Pricing: The Drivers, Benefits, and Challenges

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Abstract : The purpose of this research is to study the potential of Dynamic Pricing if deployed by mobile operators and analyse its effects from both operators and consumers side. Furthermore, to conclude, throughout the research study, the recommended conditions for successful Dynamic Pricing deployment, recommended factors identifying the type of markets where Dynamic Pricing can be effective, and proposal for a Dynamic Pricing stakeholders' framework were presented. Currently, the mobile telecommunications industry is witnessing a dramatic growth rate in the data consumption, being fostered mainly by higher data speed technology as the 4G LTE and by the smart devices penetration rates. However, operators' revenue from data services lags behind and is decoupled from this data consumption growth. Pricing strategy is a key factor affecting this ecosystem. Since the introduction of the 4G LTE technology will increase the pace of data growth in multiples, consequently, if pricing strategies remain constant, then the revenue and usage gap will grow wider, risking the sustainability of the ecosystem. Therefore, this research study is focused on Dynamic Pricing for 4G LTE data services, researching the drivers, benefits and challenges of 4G LTE Dynamic Pricing and the feasibility of its deployment in practice from different perspectives including operators, regulators, consumers, and telecommunications equipment manufacturers point of views.

Keywords : LTE, dynamic pricing, EPC, research

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