



m-Qube Gateway Client Services

Subscriptions Overview

Last Modified: 3/8/2006

The purpose of this document is to provide an overview of subscriptions and how m-Qube can help facilitate implementing. This document serves as an addendum to the m-Qube Subscription API Document.

m-Qube Subscriptions Overview

Overview

Subscriptions are an effective means in delivering content services and generating revenue for content providers. Although this is a widely adopted execution in the US, the industry is experiencing issues resulting in disgruntled subscribers, defections and increased customer service call volumes. Amongst all of the issues, number recycling presents the biggest risk. Since subscriptions are not maintained centrally, there is no consistent methodology across content providers in how they manage their subscription database. As a result, some content providers do not remove subscribers that are inactive or receive fatal billing errors. In turn, when that number is reissued to a new subscriber, they begin to receive and be billed for subscription content from the former subscriber. As such, this results in heavy customer service call volumes, subscribers canceling their phone service and possible litigation.

What is the m-Qube subscriptions platform?

The m-Qube subscriptions platform is a way to facilitate the management of subscriptions across carriers. As you are aware, Cingular was a significant driver in changing the way content providers manage subscriptions. With many of the other carriers beginning to devise their own methods, m-Qube built a cross-carrier approach in anticipation of that trend. Our approach enables content providers to manage their subscriptions consistently across all carriers, minimizing the need for building carrier specific logic on handling messages. Our interface is generic enough to ensure that when another carrier implements their own solution, the changes should virtually be transparent to the content provider.

What does it require me to do?

In order to integrate subscription management with carrier systems, content providers must make some modifications in their platform to enable the following basic features:

- Identify each campaign for all subscription messages by including the Product Code provided by m-Qube within the designated parameters of the message
- Identify opt-ins, opt-outs, renewals, content, and refunds
- Ensure you are billing on the anniversary date for purposes of Cingular
- Accept billing notifications and subscription notifications to properly manage your database
- Remove subscribers that have been opted out by carriers, along with deactivated numbers

Details Specific to Cingular

What are the rules for content providers to comply with Cingular subscription requirements?

Cingular requires by April 1st, 2006, all subscription programs must be structured to comply with Cingular policies and pass the appropriate subscription information to m-Qube. Cingular defines a subscription as a campaign that continues to send a subscriber content and bill them on a recurring basis. As such, if you have a campaign that generates a recurring billing event without the subscriber initiating it each time, this is considered a subscription by Cingular and must follow their requirements. Please refer to the carrier alert sent during the week of February 27th for the official communication by Cingular.

What are some sample programs that require cut-over by Cingular prior to April 1, 2006?

The below is not all inclusive, but can be used as a guide to help you assess whether your programs are considered to be subscription by Cingular. Please see your Account Manager for any further questions.



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Program Type	Current Structure	New Cingular Guidelines
Binary Content Subscriptions	Weekly or Monthly billing (e.g., Ring tone of the week)	- Program Structure must be Monthly billing - Must technically integrate with m-Qube to provide appropriate data to fulfill Cingular subscription requirements.
Premium Alerts (Includes Daily Premium Content Subscriptions)	- Each alert is a premium message (e.g., Stock Alerts) - All daily messages are premium (e.g., Joke of Day, Horoscope of Day, Trivia of the Day) and billed on a daily basis	Two options available: - Monthly program structure and technical integration with m-Qube to provide appropriate data to fulfill Cingular subscription requirements. - Bundled messages – Buy 10 daily messages for \$5.
Standard Rated Alerts on Monthly Subscription	Monthly billing Alerts are standard rate	- No changes in Program Structure - Must technically integrate with m-Qube to provide appropriate data to fulfill Cingular subscription requirements.
Chat Applications	Most programs use a per MO or per MT pricing approach	We anticipate Cingular will observe the upcoming MMA rules related to chat, which presents two options: - Continue with MT-based pricing, but with a “positive confirm” message sent every \$25 of incurred charges (subscriber must confirm desire to continue before any further charges apply) - Offer chat as a monthly subscription Cingular has not yet established the deadline for compliance with the new rules around Chat, but we recommend that you begin to design/plan for this requirement (which will apply to most other carriers as well).

What are some of the key policy changes being required by Cingular?

- 1.) Content providers must identify each subscription campaign via a product code when communicating subscription messages. When integrating subscriptions, you should identify the various subscriptions instances with your account manager. They will provide you a corresponding product code used to identify the subscription. The MDN and product code ID will uniquely identify each subscription that a given MDN is signed up for.
- 2.) Content providers must remove any subscribers that have billing failures for recurring billing events. Upon Cingular attempting to bill subscribers on their anniversary date, Cingular will advise us in real-time of any failures. m-Qube will communicate those failures back to the content provider in real-time which will trigger the content provider to remove that subscriber. The content provider must remove these subscribers, but can send an SMS to the subscriber attempting to get them to opt back into the subscription. This message would advise them they were removed as their billing failed, but can re-subscribe replying YES.
- 3.) Retries for recurring billing failures for a Cingular subscription are not permitted, other than sending the SMS to get the subscriber to opt-in.
- 4.) Cingular does not have the ability to share the specific error code on recurring billing failures. As such, content providers will not have insight into recurring billing failures. Will be handled in a future release.
- 5.) The largest retrievable billing error is over the spending limit, which traditionally accounts for approximately 5% - 10% billing failures. Cingular recognizes this issue, and has implemented a reserve for subscriptions to ensure recurring billing for subscriptions does not experience over spending limit issues. For example, if I have \$15 worth of subscriptions, Cingular will earmark \$15 of the \$100 spending cap to ensure when the recurring billing is executed, those subscriptions have designated funds.



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- 6.) Retries for the initial opt-in are permitted and content providers will receive error codes via billing notifications as they do today.
- 7.) The MMA reminder for Cingular should be sent on the day prior to the subscriber's anniversary date. Since Cingular is billing in the early morning hours of the subscriber's anniversary date, sending the MMA reminder does not make sense if sent on the anniversary date as it will be delivered after the billing occurred.
- 8.) For content providers that desire to still send PSMS billing confirmation messages for recurring billing, they must do so on the anniversary date or the following day. If this message is sent prior to the anniversary date, it will be rejected as we have not received the billing status from Cingular.

How does the Cingular execution work?

Cingular desires maintaining the subscription database to ensure they have better controls in place over number recycling, billing and customer care issues. When a content provider communicates a subscription action to m-Qube, we convey that information to the different Cingular subscription APIs to update their database. This includes setting the anniversary date based on the date the subscriber opted in. Any subscription actions initiated by the content provider must be communicated to m-Qube in real-time. Likewise, any subscription actions initiated by the carrier are communicated to m-Qube in real-time. This is important as it ensures our databases remain in sync. In turn, content providers will not be sending content to subscribers that were removed by Cingular and Cingular will not be attempting to bill subscribers that were removed by the content provider.

Cingular maintains the opt-in anniversary date and will attempt to bill all subscribers on their respective subscription anniversary date prior to noon EST. Cingular's billing will no longer be triggered by the content providers. Any failures will be communicated to the content provider in real-time. However, we enable the content provider to still send the PSMS billing message to maintain a level of consistency across all carriers. Please note, we do provide the option to content providers to enable m-Qube to manage sending the MMA reminders and billing messages on behalf of the content providers.

How will Cingular be handling refunds?

Both the content provider and Cingular will have the ability to handle refunds for subscribers. These refunds will be posted back to the subscriber's bill and communicated in real-time. Refunds are the equivalent of one month of service for the respective price point of that campaign. Subscribers are permitted to attain 1 refund per month, up to a maximum of 3 refunds per year. Since Cingular CSRs will have the ability to issue these refunds, Cingular will convey this to m-Qube in real-time and we will, in turn, pass on to the content providers to ensure that have better insight into their cash flow and remove the subscriber. Likewise, content providers will also have the ability to issue these refunds. These should be communicated to m-Qube in real-time so m-Qube can update Cingular to reflect this on the subscriber's bill.

How will my transactions appear on my bill?

Cingular has changed their interface to enable the content provider's name to appear on the bill. You will now see up to 14 characters of the content provider's name, the short code and the Cingular 800#. There is no flexibility in placing your own 800# on the bill at this time based on how Cingular desires handling any inquiries.



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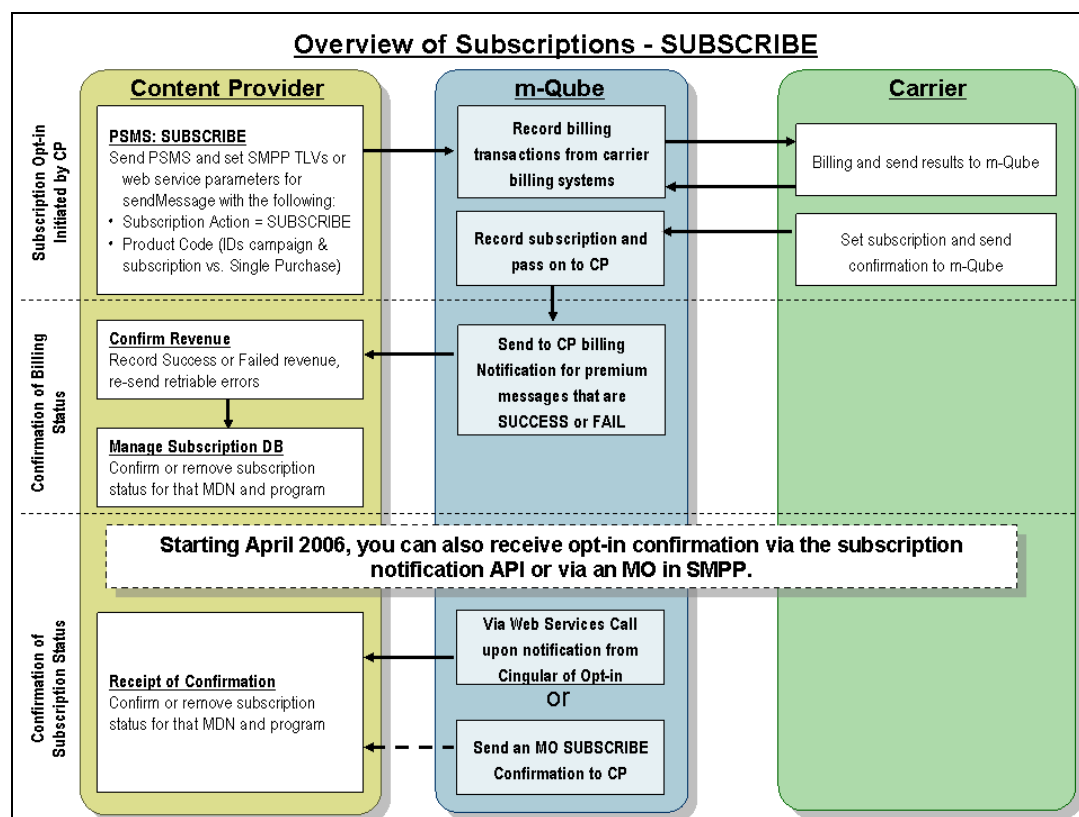
What are my options in managing subscriptions?

As part of the launching subscriptions, we have several options for content providers. Below is a brief explanation for the existing methodologies available. Please refer to the Subscriptions API document for details supporting these methods.

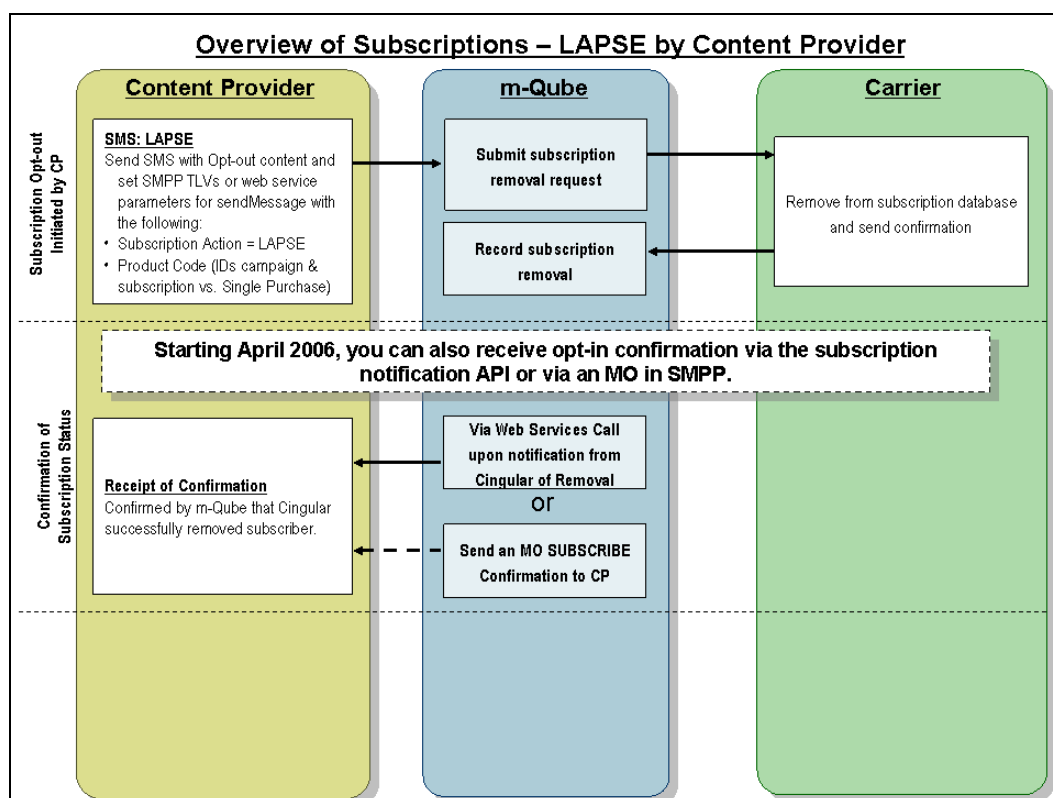
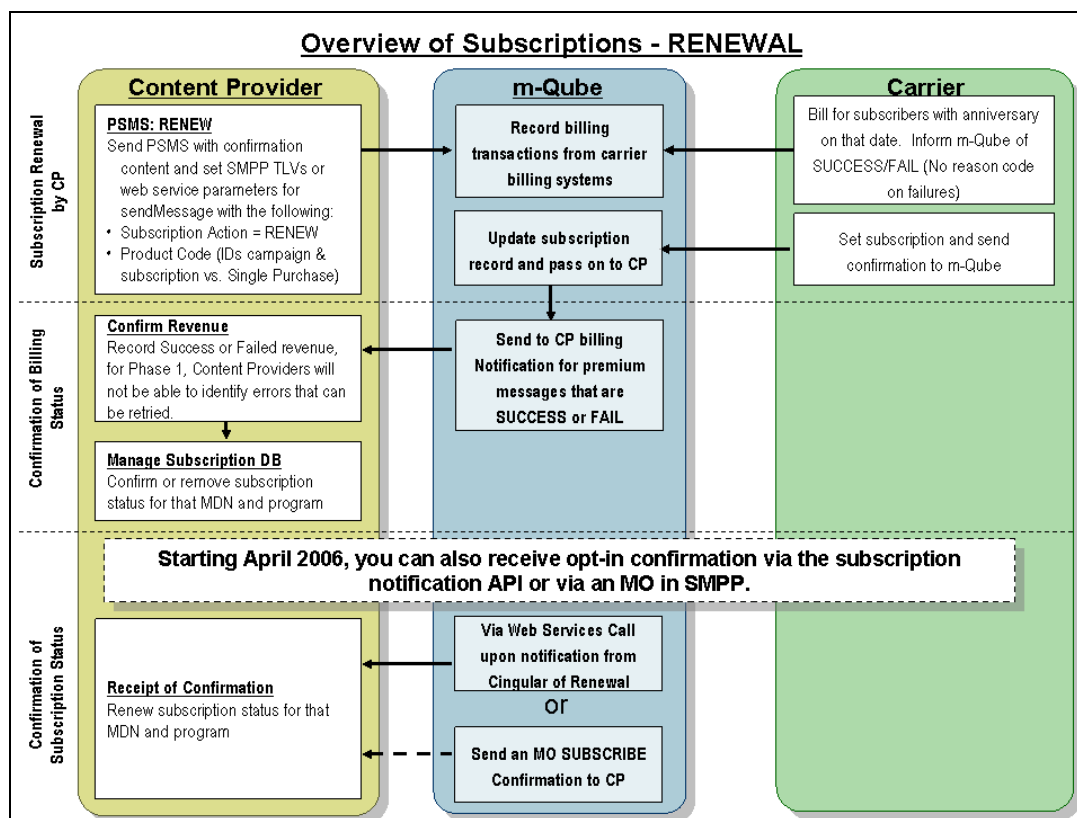
- Cross-carrier Subscriptions - If you are on a monthly price point across all carriers, we can facilitate a consistent execution across all carriers, minimizing the need for carrier specific implementations.
- Cingular Specific – In the event your platform cannot handle cross-carrier subscriptions or you have subscriptions that are not monthly, you can also implement subscriptions just for Cingular to get in compliance with their requirements.
- m-Qube Managed subscriptions – We can handle the MMA reminder messages and billing events for content providers on monthly subscriptions.

Message flow for Subscriptions

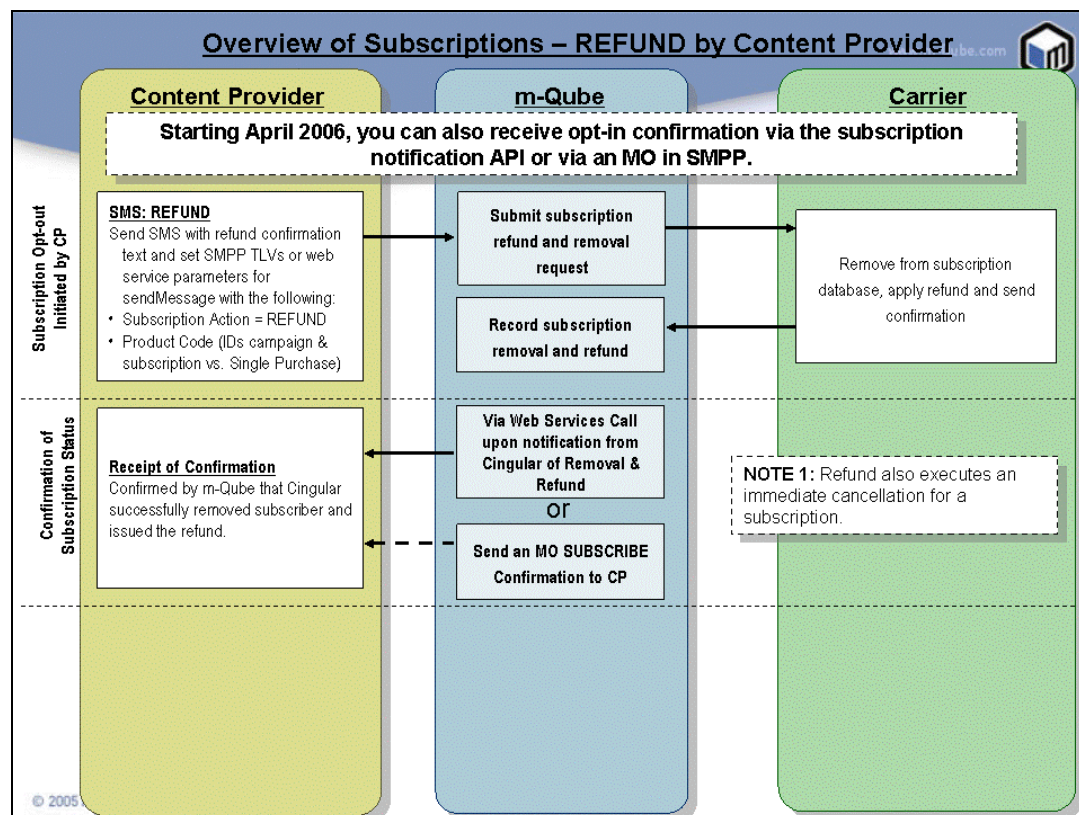
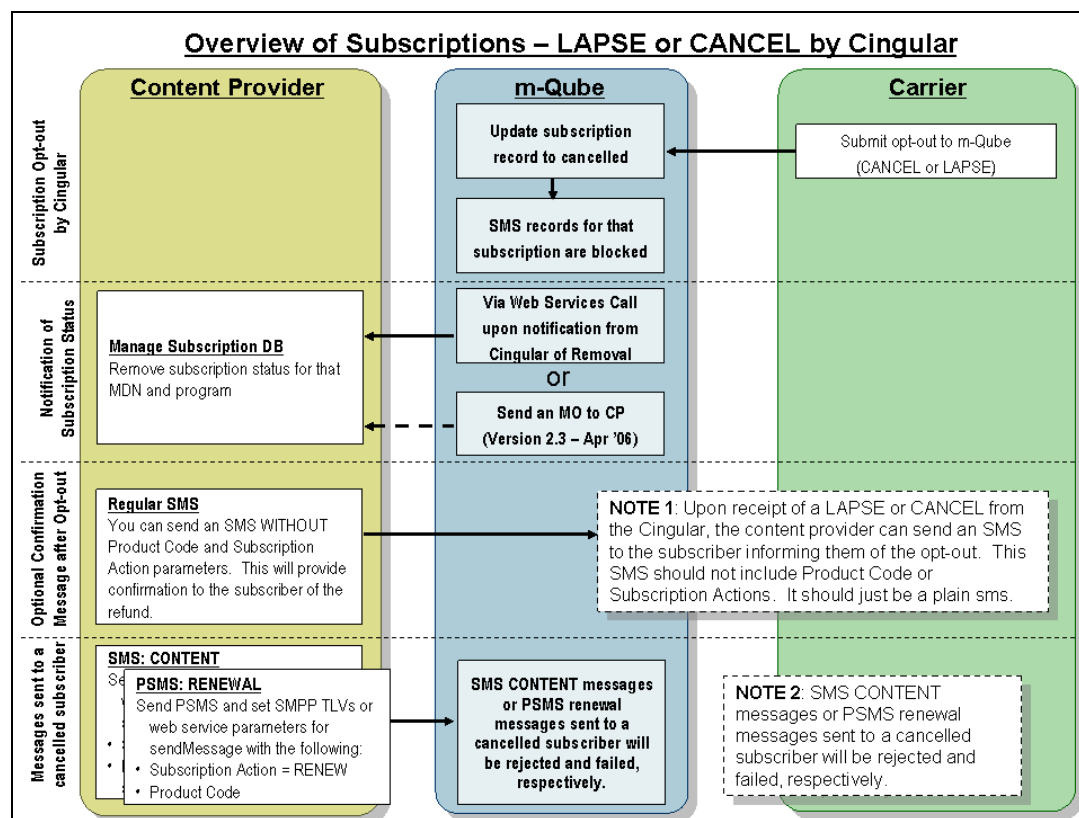
The below flows outline a visual of how the main use cases will flow through the system. This should be used as a guide in understanding this process.



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