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NREN Customer Segmentation

Case: BELNET, serving new or unNRENlike segments

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Agenda

- 1. Mission statement BELNET**
- 2. BELNET's Customers: overview**
- 3. Different segment-> different approach (?)**
- 4. Some issues raised**
- 5. Other NREN's ?**



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1. BELNET's Mission

Vision

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Mission statement 2006-08

“BELNET stimulates scientific development by providing and maintaining high quality advanced network infrastructures and related services for the benefit of research and higher education in Belgium.”

Thanks to its acquired expertise, its unique position in the market and benefits from economies of scale, BELNET also enhances the development of the knowledge and information society in Belgium.”

Some difference with our legal ‘raison d’être’...

(creation law BELNET as public service with separate mgt, 2000)



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2. BELNET Customers segments: overview

Customer Categorie	Subtype	#	Share %	Priority
I. R&E		132	69,84	
Education	University	17	8,99	1
	Colleges ('hogescholen')	50	26,46	1
	Non-higher & adult education	3	1,59	2
	Education support (administration)	2	1,06	2
Research	Research Centres	33	17,46	1
	Research support (administration)	4	2,12	2
	Libraries, Archives, Cultural	10	5,29	2
	Hospitals (non-) academic	13	6,88	2
II. Administration & Public services		54	28,57	
	Federal	11	5,82	4
	Regional	19	10,05	4
	Provincial	7	3,70	4
	Local (city administrations)	6	3,17	4
	Public service networks	11	5,82	3
III. Research only		3	1,59	
	Research dept. Private companies	1	0,53	3
	International research org.	2	1,06	2
TOTALS		189	100,00	



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2. BELNET Customers segments: overview

Why do we serve ... :

■ **Public Administrations/Services ?**

- Historical/political reasons -> BELNET is a part of government administration
- Once you serve one...
- And of course BELNET is still 'a bargain' compared with other commercial ISP's

● **'Non-academic' hospitals ?**

- Research collaboration with academic hospitals, academic staff in house
- they actually need & use our network !
- they have money... but not for a decent commercial offering
- Specific application policy

■ **'Corporate research'**

- Public –private research collaboration
- Scientific data: well, you can find it on the research networks
- They have money... but we're still expensive (access circuit to BELNET PoP)
- No active prospection but there is demand...



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3. Different segments: different approach ?

3.1 Basic Tariff models (Network services):

Cat I. R&E - Cost principle: marginal cost – direct cost

- Connectivity :
 - ‘Free’ & unlimited access international research network
 - Commercial internet bw: downstream charged & limited
- Fee per used access port – no install fee
- MPLS-VPN (VLL) & Light Path service charged (from 09/2008)
- Most benefit heavy reductions (-75%) -> agreements with regional governments

CAT II. Administrations & Public Services - Cost principle: direct + indirect costs

- Connectivity
 - Access to research networks: limited & partly charged
 - Commercial internet bw: downstream charged & limited (+ ca. 30% Cat I R&E)
- Fee per used access port (+ 20% Cat. I – R&E) + install fee
- MPLS-VPN (VLL) & Light Path service charged (+ 50% Cat. I R&E /from 09/2008)

CAT III. Private research & int’l organizations - Cost principle: direct ‘compensation’ costs

- Connectivity
 - Access to research networks: charged (line capacity)
 - Commercial internet bw: not on offer
- Fee per used access port (+ 20% Cat. I – R&E) + install fee
- MPLS-VPN (VLL) & Light Path service charged (+ 50% Cat. I R&E /from 09/2008)



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3. Different segments: different approach ?

3.2 Service offer

■ Development of Service Offer

- Development of BELNET's service offer oriented fully on the needs of CAT. I R&E (differences within this category : research vs education, # end users, know how... how...)
- CAT II Administrations: use what's on offer... and pay a reasonable price for it.

■ Service offer : some differences...

- Some services offered exclusively to R&E community (SCS, Eduroam, GRID, Access Access circuit/fiber..)
- Minimum requirements to connect (bandwidth, access circuit)

■ Service Levels :

- At present no formal differentiation per category
- *Future: more differentiation needed ?
Especially when non-priority customers become more demanding*



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4. Some issues raised

- Risk of being perceived as **ISP for Public Administrations/Services**
(‘You have to serve us !’)
- **In competition** with commercial ISP’s ?
- Administrations, hospitals are/become **more demanding** :
 - Support
 - Customer administration
 - SLA’s & Business continuity

=> *too much effort to non-prior customers ?*
- **Different service levels**: is this a good idea ? Is it manageable ?
- **Anyhow**: we want to deliver a high qualitative service to all connected institutions.



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5. Other NREN's ?

- Do you segment your customers ?
- Do you serve 'atypical' customer segments ?
- Customer segments :
 - Different tariff models ?
 - Priorities ? (should have/must have/nice to have ?)
 - Specific connection policies ?
 - Differentiation in Service levels ?