

ABSTRACT

By 2015, the number of Internet users will surpass 3 billion users, with a penetration of 42.4% of the total population in the world. Based on research conducted by eMarketer, Indonesia will have a number of Internet users by 93.4 million users in 2015, or ranked sixth in the world. Research institute IDC estimates that the annual growth in data services in the Asia Pacific region can reach 19.3% in the period 2012 to 2017. IDC describes that this is caused by the penetration of smartphones at affordable prices, 3G and 4G LTE implementation, as well as user behavior in use applications of OTT (Over The Top) is increased. So far, the OTT presence in Indonesia is still a problem that hasn't been getting resolved. To overcome the polemic vs. OTT operators, business synergies could be a solution to the survival of cellular operators, with various forms of synergy. Based on the description, it is necessary to describe OTT business models to get a clear picture of the aspects that forming the OTT business, so it can be considered for regulation of OTT.

This research focused on providing an overview of business models OTT services through the perspective of cellular mobile telecommunications operator in Indonesia, which is expected to be considered by the government to create regulations that regulate the relationship between operators and OTT.

The type of research used in this research is qualitative descriptive study, the authors aimed to determine due to the phenomenon of OTT services along with a deeper meaning descriptively.

The findings indicate that the value of OTT services are free of charge with various of utilities successfully attract market segment in the form of everyday internet users, which does not require a specific customer relationship. Customers can be monetized through the facilities within the application, while the segment of companies and advertisers facilitated by automated services. Each segment generates revenues from the payment revenue and ad revenue Overall, this interaction occurs through internet-based media, such as mobile app, website and desktop app, as well as SMS. With the resources that focus on the platform, then the incurred costs and activities will revolve around the development and maintenance of the platform itself. OTT require telecommunications infrastructure to make their business works and it is provided by the telecom operators, so it does not need to be owned, but still very important. OTT also facilitated by payment service providers which will bridge the payment for certain OTT products.

Based on the cellular mobile telecommunications operator's perspective in Indonesia, the OTT services can be categorized in the pattern of freemium and multi-sided platforms business model. Freemium is a business concept where the customer gets the basic facilities for free, but must pay for other facilities, while multi-sided platform concept brings two or more different groups of customers but need each other. Suggestions for the regulator is the collaboration arrangement, the establishment of data centers, the grouping of OTT services, and education to the public about OTT services.

Keywords: *Business Model; Over-The-Top Services; Business Model Canvas; Regulation*