

## Buyer FAQ

### **How do I determine how much to bid (budget amount)?**

The first item to consider is the market price. In order to receive an allocation, you must offer at least what the market price is per unit of bandwidth (1Mbps or 1000 Kbps). This can be viewed on the Market Price History graphs on the main web portal, or on the desktop interface in the News window. If you are in the desktop, you may want to look at the auction table and see what other players are bidding. Ideally you will want to place an offer a few dollars above the market price per unit requested to allow for natural fluctuations.

### **How can I maintain/guarantee an allocation of a certain amount of bandwidth?**

The Reservations Market is a market with a 100% guarantee of a set amount of bandwidth for a set amount of time. You can place a bid here or you can bid 'smart' in the live spot market. In the spot market, you don't want to inflate the Market Price by offering a very high budget in comparison to the other bidders. It will affect your wallet in the long run. There are better strategies for bidding, and you should never offer a budget you are not ultimately willing to pay.

We recommend bidding for just the maximum amount of bandwidth you need, or using the feedback mechanism. By requesting feedback control your allocation will be adjusted up or down based on your actual usage, and within the time and increase margin you specify.

### **What's the benefit of using the spot auction over making a reservation?**

Flexibility and price. When you make a reservation, you are requesting a set amount of bandwidth for a set amount of time –a fixed rate predetermined by the seller that you agree to.

The spot market pricing is determined by the market value that fluctuates with supply and user demand. It allows for on-the-spot changes to the amount of bandwidth you are requesting, it allows you to join or drop out of an auction, and to modify your budget offer as well. It does require a bit more interactivity between the user and the system but the benefits are well worth 5 minutes of your time.

The primary benefits of the reservations market include securing a set amount of bandwidth for live or scheduled events, automatic termination of your request at the end of the reserved time, and knowing the exact cost of the bandwidth requested over the duration of the reservation.

### **Why would I want to use both the spot and reservations markets?**

There are benefits to combining the two marketplaces as well. You can reserve a critical amount of bandwidth and supplement it as required with purchases on the spot market. As you become more comfortable with the spot market auctions, you may want to purchase more bandwidth there to achieve maximum flexibility and (generally) minimum price.



### **How often do I have to check the live spot market auction once I bid and walk away?**

If you are purchasing for your normal usage and have offered a budget that allows for minor market fluctuations (within \$20-\$30 per Megabit, on average) then you would only check the auction if you noticed less than optimal performance on your networked services. However, if you have scheduled a business event that may require an increase or decrease in your allocation while it is in-progress, you may want to check your allocation more frequently during the event in case general demand increases. One alternative to this scenario is to buy reserved bandwidth in the reservations market for the limited duration of special events to secure your allocation and price for that time period.

### **How long is my allocation good for in the spot market?**

The simple answer is “for as long as market conditions remain the same”. As long as no other bidders change their agent settings, you will receive the same allocation, round after auction round. If you or any other bidders change their agent settings, the system will react within 5 minutes and you will receive a new allocation. In practice, the market rarely “spikes” beyond an expected range since most buyers want to secure an amount of bandwidth by placing a bid, and then upload their choices and close the agent window (walk away from their computer).

### **How many people are in the marketplace? *(This affects demand on the supply available)***

From the desktop agent you can open the Auction Table and view the bids of all players in the live spot market. Each player bidding is represented by a unique ID number, and the respective quantity requests and budget offers are displayed. By viewing the amount of demand in the market, and the range of bids, you can analyze this market.

### **What if the market demands more than the bandwidth the seller offers, is there more bandwidth to get? When would that be added to the market?**

If demand exceeds supply in the spot market, the Market Price will rise until demand is equal to supply. If demand exceeds supply in the reservations market, no further reservations can be made until one or more of the existing reservations expire.

It is up to the seller to determine when and how much bandwidth to release to any marketplace. If you have more than one seller to choose from, you can purchase from several sources and combine your allocation for use. It is in the seller’s best interest to keep its buyers happy, and to meet demand with supply. If there is consistent demand for the available supply, or the price remains unreasonably high for a length of time due to high demand, the seller has the option to release more bandwidth to the marketplace.

### **Can I bid from other locations than my office?**

You can bid from any computer that provides access to Internet Explorer 5.0 or higher using the Express (HTML) interface. If you would also like the desktop features available, the computer will need to support the Java 1.3.1 plugin. All a remote user has to do is login and place a bid. The bandwidth purchased will only be available to the network supported by your assigned IP address range.



### **How can I tell how much bandwidth I'm using?**

On the main web portal there is a link in User Views called "Traffic". By linking to the traffic graphs, you can view your usage and then compare it to your allocation. An alternative method is to download your desktop agent and open the Allocation History window. Your allocation and your usage are both displayed on this graph.

### **How long does it take to increase my allocation?**

You can jump into the spot market at any time and change your bid. Once you have applied your changes, modifications will take effect at the close of the next auction round. New quantities will be distributed based on the bandwidth request and budget offered in comparison to the market price.

In the reservations market, you can also log in at anytime and reserve bandwidth. You can make multiple concurrent reservations as well if you don't want to replace an existing one with a new request.

### **On the feedback valuation in the spot market – how do I determine how wide a time window to measure?**

The Measurement Window of time should be determined based on trends in your usage. When the feedback mechanism measures the amount of your traffic, it records the highest of one or more 5-minute samples within your specified measurement window. The measurement window, along with the quantity margin setting, act to ensure that you are never caught without enough bandwidth when your traffic jumps from one 5 minute traffic measurement period to the next. Using the quantity margin to cover the maximum anticipated increase is the conservative way to ensure that you are never short of bandwidth. As you become more familiar with your traffic pattern, you may find that the greatest increases in traffic happen just after great decreases. Rather than purchase excess bandwidth all the time to compensate for these quick dips, you could simply increase your measurement window to ignore them.

### **Should I have a large or small quantity margin?**

Start with configuring your quantity margin to be equal to the largest anticipated traffic increase in any 5 minute period. The disadvantage of a large quantity margin is that you will purchase this amount of bandwidth over the amount you use – continuously. As you collect traffic data and can profile your utilization, you may find it is more efficient to increase your measurement window and decrease your quantity margin.

### **On the Allocation History Graph, why isn't the allocation isn't always displayed as the quantity margin above my usage?**

There are 2 fields that you can modify as the user in the Feedback Valuation screen: the measurement window and the quantity margin. The measurement window represents a rolling time measurement, so as each minute passes, the previous window is measured, and this shifts with time. The quantity margin is increased based on your peak within that previous measurement window of time. So, as a result, you may reach a peak of 10 Mbps in minute 16, but if your measurement window was 5 minutes, and only 15 minutes have passed, the peak within the minutes between 10 and 15 are what is used to increase by the margin. It will take

the window of time of 5 minutes top “catch up” to the new peak in minute 16 – thereby automatically increasing your allocation in a series of steps, like a staircase.

**How do I turn the service off when I’m not using it?**

Easy!! When you don’t want to bid in the spot market, you can stop bidding by clicking on the “inactive” radio button on the Express interface in the web portal. Just apply your change and logout.

**Is my bandwidth allocation combined from multiple marketplaces and multiple sellers?**

Yes. If you purchase bandwidth from more than one marketplace, be it reservation or spot, or multiple seller marketplaces, your allocations will be combined into your total bandwidth available for use.