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Mobile number portability Bangladeshi poor clients won't get benefit

FE Report

As Mobile Number Portability (MNP) makes a splash across the world, the question of how well the South Asian telecom markets will take to this service begs to be asked.

With India on the verge of launching the service and its implementation expected to revolutionize the country's telecom market place, LIRNEasia's six-country Teleuse at the Bottom of the Pyramid (BOP) study suggests that the facility may not have such a significant impact. Tahani Iqbal, the lead researcher on MNP for LIRNEasia, asserts that the potential for MNP in South Asia, especially at the BOP, is marginal, and the reason for this can be attributed to low number loyalty and the heightened reliance on social networks.

In Bangladesh, 10 percent of all BOP mobile subscribers own more than one SIM and this phenomenon has interesting bearings on

the potential uptake of MNP. With a low incidence of number loyalty among this group of users, there seems to be little need for such a facility. The reason for this type of phone use behavior is explained by the fact that BOP users - mostly prepaid subscribers - are typically the most cost conscious of all telecom users and extremely savvy at minimizing their communication spend. By utilizing multiple SIM cards (i.e. different connections), and availing of friends-and-family type discount deals, these users are able to keep their communication costs low.

Number of active SIM cards owned for personal use (% of BOP mobile owners)
Source: LIRNEasia 2008.
The study also found that 55 percent of Bangladeshi BOP mobile subscribers would not change their operators (even if they offered a cheaper package) because they are 'locked-in' to special friends-and-family network promotions on these numbers. BOP subscribers are highly

dependent on their social networks and use their mobile phones to foster these social interactions, says Iqbal. As such, they have very little incentive to move out and switch operators unless the whole group they are connected to decides to do so.

In addition to this, BOP users are very unlikely to have business cards, letterheads, sign boards and other paraphernalia on which their numbers are displayed, and for that reason are not as tied to their numbers as their counterparts at the top (and middle) of the pyramid are. The importance of porting their numbers to make use of better services will therefore be far less significant to this group of mobile users. It is important, therefore, for regulators to price the service in a non-distortionary manner, such that only those who avail of the service pay for it. In sum, mobile tariffs should remain unaffected by the introduction of this service,

especially given that those at the BOP are cost-conscious.

The introduction of MNP will also limit these users from engaging in cost-saving strategies such as making on-net calls. Due to the lack of awareness on where their calls are being terminated, these BOP users will not be able to tell if they are making an on-net call, reducing their ability to avail of cheaper same network tariffs.

Given these findings, it is clear that the MNP facility has little benefit to BOP users, and regulators should think long and hard before climbing onto the MNP bandwagon. The introduction of MNP in such a market may spell more damage to these segments of the market, than simply provide the flexibility afforded by the service.

LIRNEasia, a non-profit research and capacity building outfit, working in the Asia-Pacific region, conducted the Teleuse@BOP3 survey in mid-2008. The survey is a six-country study, which aims to provide insight into how telecoms and other information and communication technologies impact the lives of users at the lowest SECs D and E. The study comprised of 11,000 sample surveys in Bangladesh, India, Pakistan, the Philippines, Thailand, and Sri Lanka, and also included a qualitative component which covered the same locations. LIRNEasia's mission is to "improve the lives of the people of the emerging Asia-Pacific by facilitating their use of ICTs and related infrastructures; by catalyzing the reform of laws, policies and regulations to enable those uses through the conduct of policy-relevant research, training and advocacy with emphasis on building institutional expertise."