Mobile number portability

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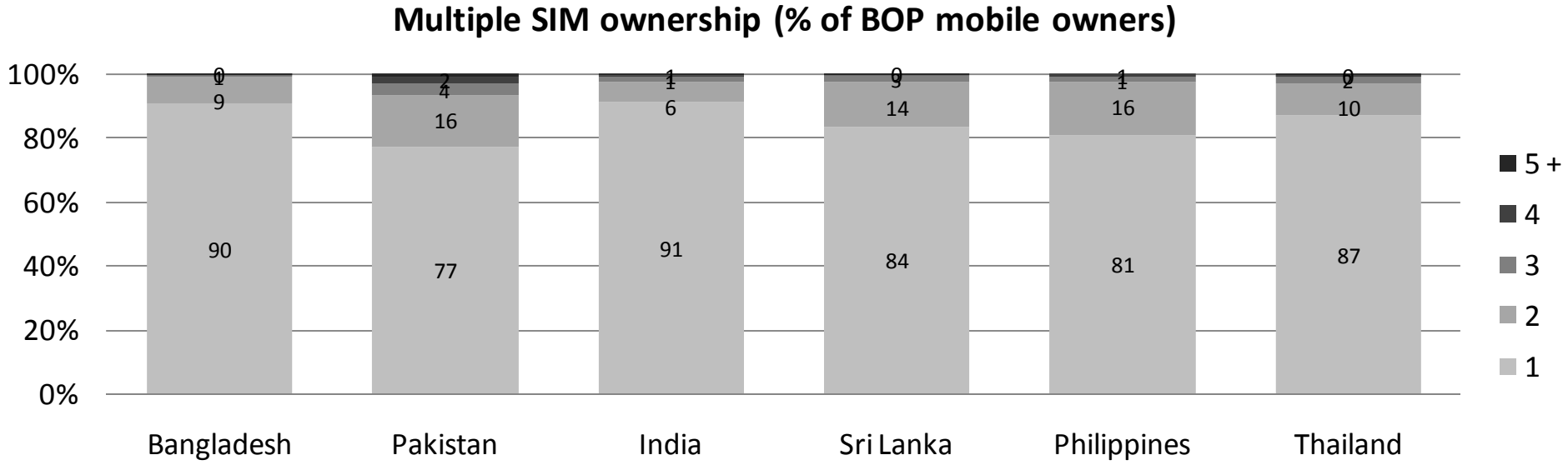
This work was carried out with the aid of a grant from the International Development Research Centre, Canada and the Department for International Development, UK.

The puzzle we sought to solve

- Why had multiple SIM ownership among those at Pakistan's BOP (SEC D&E) **increased** from 13% to 23% (highest among the six countries we studied) from 2006 to 2008, **despite MNP being introduced**?
  - Asked CKS Limited, a specialized qualitative research firm based in Bangalore, to help us find the answer (also asked to answer many other questions, including why missed calls were so popular among our BOP)

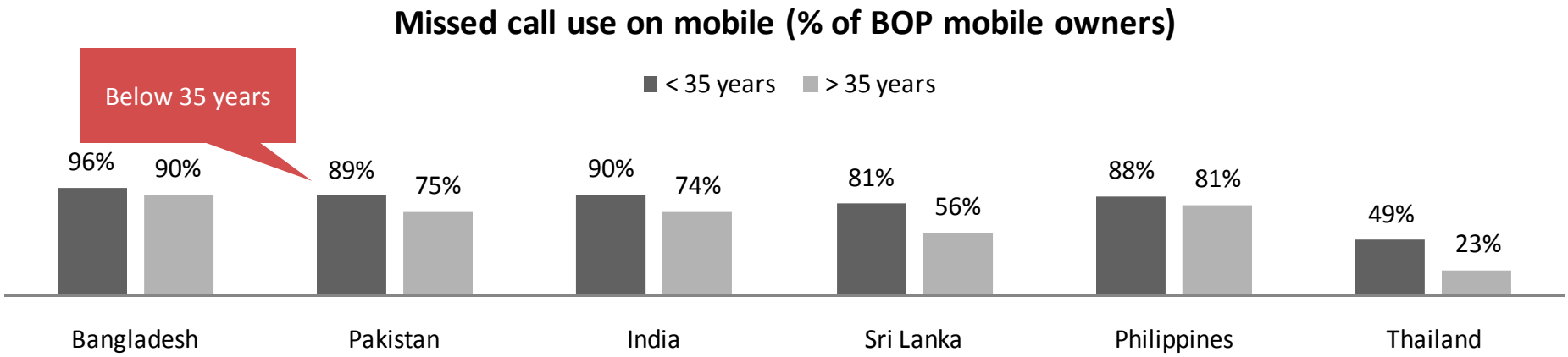
Own more than one (active) SIM in PK: 12% (2006) ➔ 23% (2008)



	Bangladesh	Pakistan		India		Sri Lanka		Philippines		Thailand	
	2008	2006	2008	2006	2008	2006	2008	2006	2008	2006	2008
More than 1 SIM	10%	12%	23%	5%	8%	9%	17%	9%	18%	1%	12%

Among BOP mobile owners

Heavy use of missed calls in South Asia & the Philippines, especially high among the younger group (<35 yrs)



Among BOP mobile owners

Research showed the multiple-SIM & missed-call stories converging

- Caller A on network X wishes to reach affinity-group member B who is on networks X and Y
  - Calls number on X network
    - X network says callee not on network
  - Calls number on Y network
    - Phone rings; cuts the call➔ missed call
- Depending on the customs of the affinity group, B will switch to SIM from X network and call back or will be ready to receive a F&F call from A
    - In rare instances B will call back from Network Y phone (especially if no coverage in that location from X)

Implications for the MNP puzzle

- BOP users placed great weight on affinity-group calling plans (“friends & family”)
- They were very comfortable with changing SIMs to take advantage of coverage and price differentials
- They were unlikely to use MNP
  - Also the normal rationales re business cards, letterhead, etc. do not apply

Also explains

- High multiple SIM use (original puzzle)
- Lower-than-expected porting of numbers
- Lower-than-expected revenues for MNP company

Recommendations

- Market size is a key factor because costs are fixed
  - Maldives (pop. 300,000) was correct in considering and rejecting MNP
- If implementing MNP, do not assume great demand from the BOP (majority in most mobile markets) & the prepaid segment of the market (clearly the overwhelming majority in our parts)
- Consider the negative effects of users being unable to differentiate between on-net and off-net calls because numbers no longer allowing reliable identification
  - May have to regulate on-net/off-net price differentiation
  - Would strongly advise against this path, especially because the key factor is affinity-group pricing which closely reflects actual user-behavior patterns

Recommendations

- Make revenue projections for the MNP operating company excluding BOP (much lower than in developed-country markets)
- Implement MNP primarily for corporate and top-of-the-pyramid customers
  - A logic exists for implementing MNP only for postpaid, if technically feasible and reducing overall costs
- Costs of implementing MNP should therefore be strictly allocated to the beneficiaries of MNP (the porting customer and/or the receiving network)

In sum

- MNP is a regulatory concept appropriate for developed-country markets (mandated by the EU, for example)
- When transplanting to our soil, care must be taken because the business models operational here and the way our people, especially those at the BOP, use mobiles is significantly different
- Here MNP will be irrelevant for the great masses at the BOP; it primarily benefits corporate & high-end customers