

# Mobiles beyond voice: identifying the conditions for use

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# Key takeaways

- “Beyond-voice” services offer new revenue sources for operators
- Social influence a key factor in beyond-voice service adoption
  - Leveraging on this can help bring less educated and recently connected segments of BOP into market
- Innovations in pricing of services for affordability needed
- Other conditions (e.g., payment services, delivery services, etc) need to be satisfied also

# Study data: Teleuse@BOP3

- Representative survey of ICT use among 15-60 year old BOP teleusers in Bangladesh, Pakistan, India, Sri Lanka, Philippines & Thailand
  - BOP defined as SEC groups D + E\*
- 10,000+ individuals surveyed in 2008; 200+ studied in depth via FGDs, mini-ethnographies and home visits in 2009
- What this means in *emerging* Asia... **579 million**\*\*

# “Beyond voice” awareness and use are low, esp in BD, PK and IN

## Use of Mobile2.0 services (% of BOP aware of the services)

	Bangladesh		Pakistan		India		Sri Lanka		Philippines		Thailand	
	Regularly	Not regularly	Regularly	Not regularly	Regularly	Not regularly	Regularly	Not regularly	Regularly	Not regularly	Regularly	Not regularly
Banking and financial services						1		2		1		3
Payment services								3	2	3	1	4
Government services								2		2		
Health services		1				1		8		1		2
Voting, competitions, reality shows, etc					1	1	1	5		7	1	8
General information services		1		1				3		2	5	11
Agricultural or fisheries information								1				

## Use of mobile Internet services (% of BOP teleusers aware of the Internet)

Mobile internet	0	1	0	2	12	6
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# Understanding of factors influencing probability of “beyond-voice” mobile use can inform business strategies to better target BOP

- Factors influencing probability of “beyond-voice” use modeled using logistical regression
- Factors investigated:
  - Demographics, education, income, distance from nearest town, mobile ownership, duration of mobile ownership, social influence perceived usefulness, Internet use via computer

	<b>Coefficient</b>	<b>Odds Ratio</b>	<b>Significance</b>
<b>Age squared</b>	-0.001	0.999	0.09
<b>Gender</b>	-0.153	0.858	0.04
<b>Secondary education</b>	0.242	1.274	0.00
<b>Tertiary education</b>	0.391	1.478	0.00
<b>Duration of mobile ownership</b>	0.013	1.013	0.02
<b>Walk time to nearest town</b>	-0.012	0.988	0.19
<b>% of phone-owning contacts</b>	0.820	2.270	0.00
<b>Sum of perceived benefits (usefulness)</b>	0.078	1.081	0.00
<b>Use Internet through computer</b>	1.958	7.085	0.00
<b>Philippines</b>	-1.789	0.167	0.00
<b>Thailand</b>	-1.160	0.313	0.00
<b>Constant</b>	-6.340	0.000	0.00

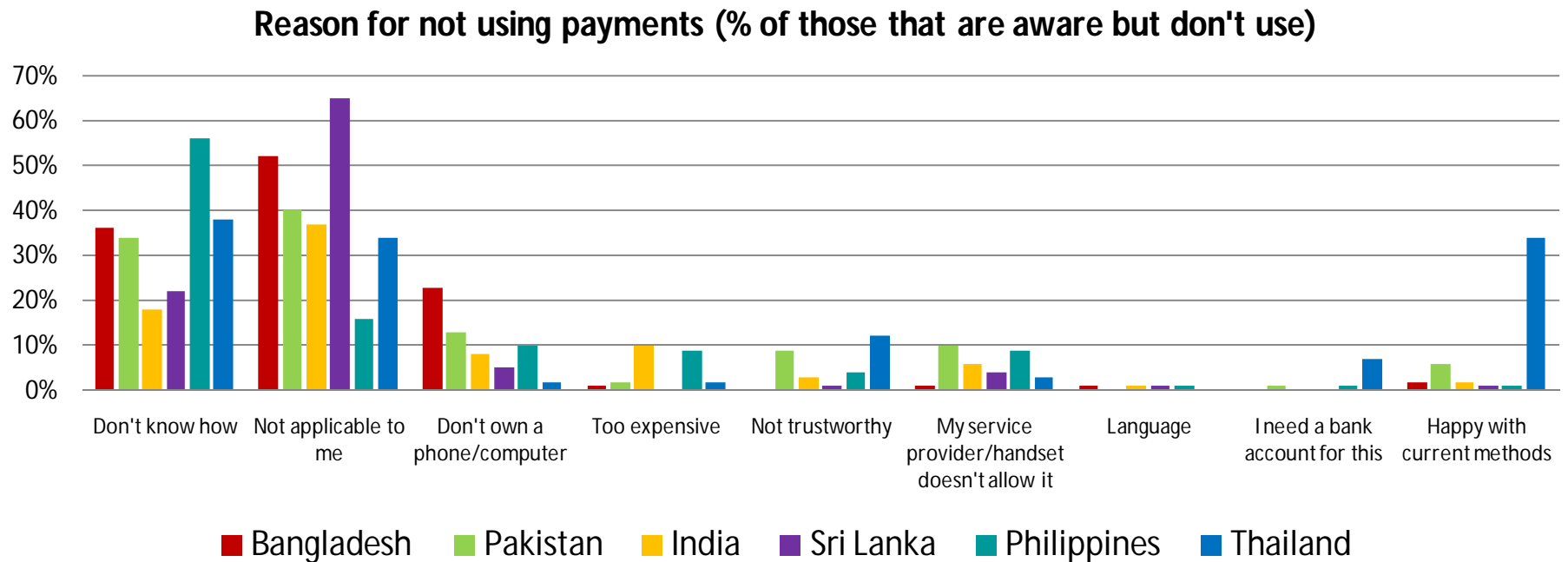
*n = 2524; Nagelkerke R Square: 0.354*

# Social influence a key predictor of probability of beyond-voice services

- Other significant factors:
  - Internet use via computer
  - Education
  - perceived benefits (usefulness)
  - duration of mobile ownership

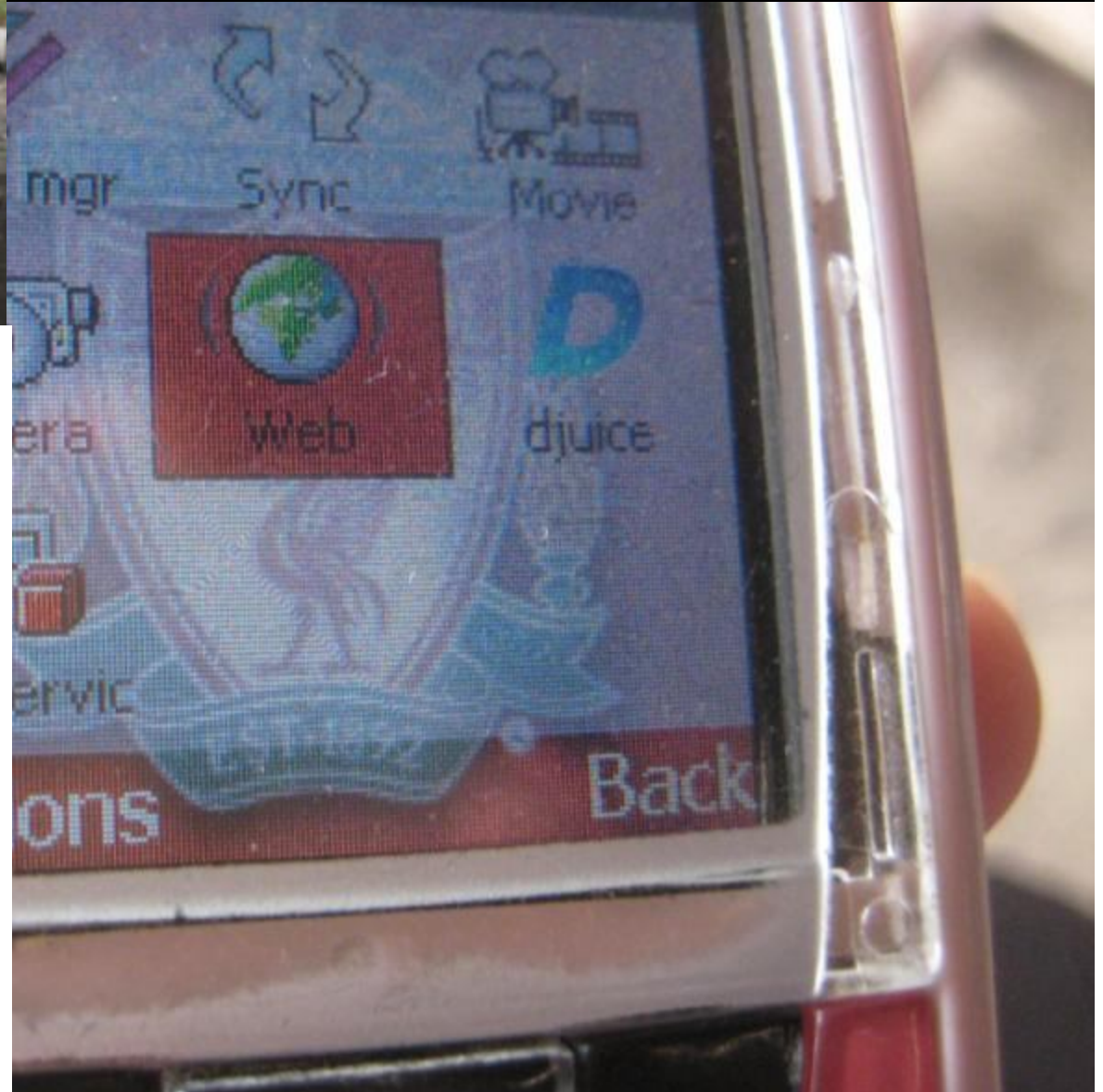
# Key barriers to uptake include lack of knowledge and relative cost...

- Don't know how
- "Not applicable to me"

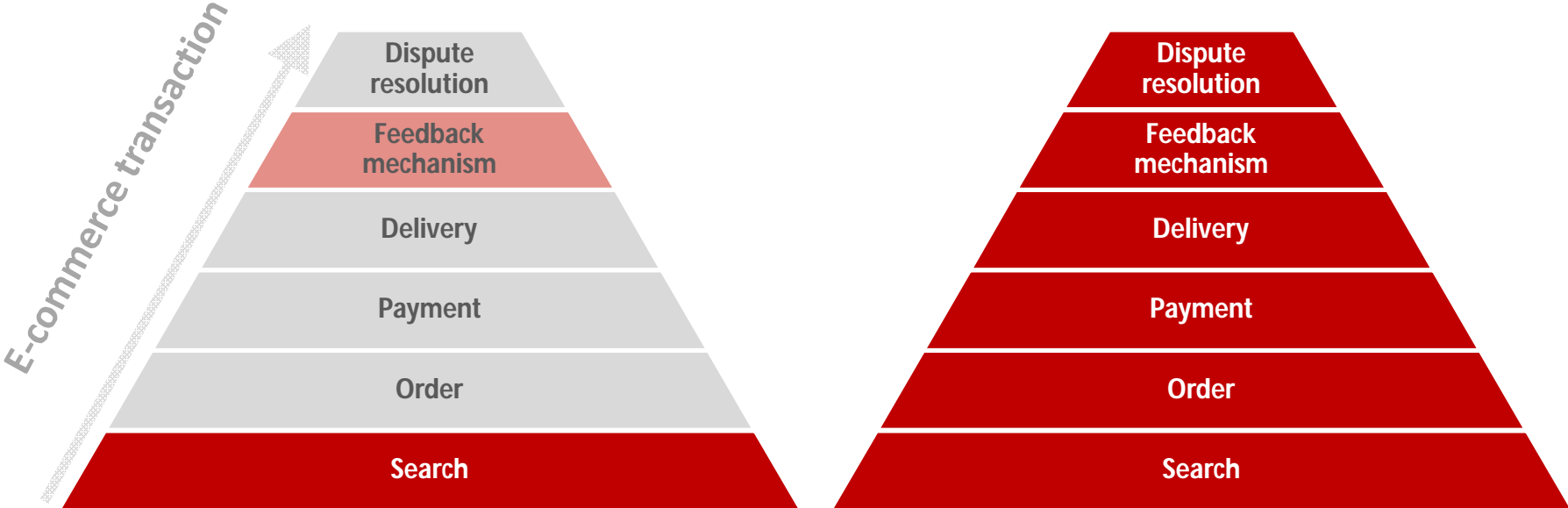




Too expensive, when they're available free or cheaper via other modes...






# Other conditions need to be satisfied also



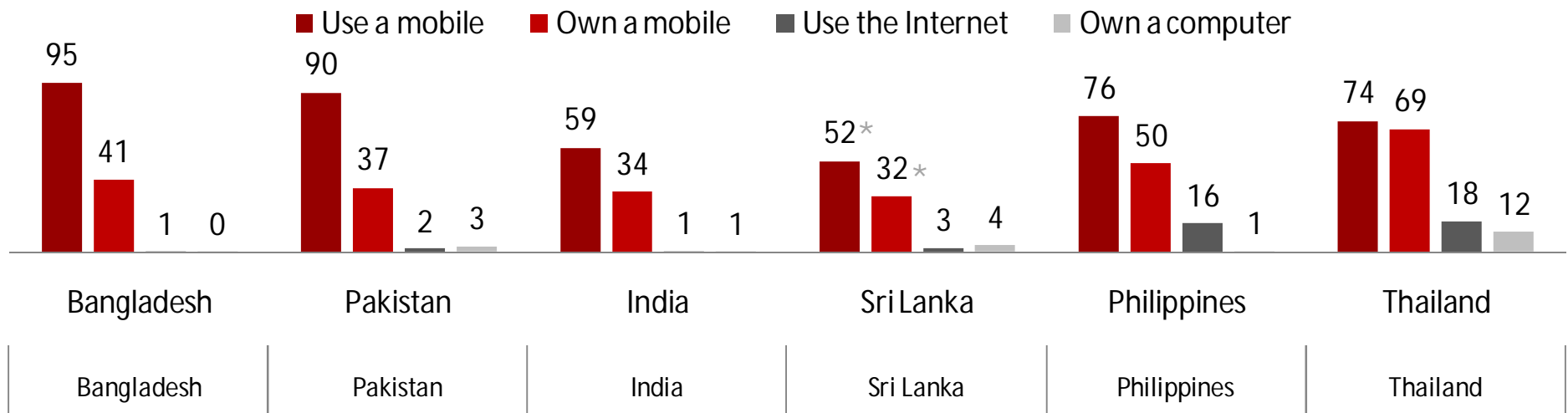
**CellBazaar**

**Amazon Marketplace**

-  stages included (basic functionality)
-  stages included (full functionality)
-  stages not included

# Why is this important?

ICT use and ownership (% of BOP)

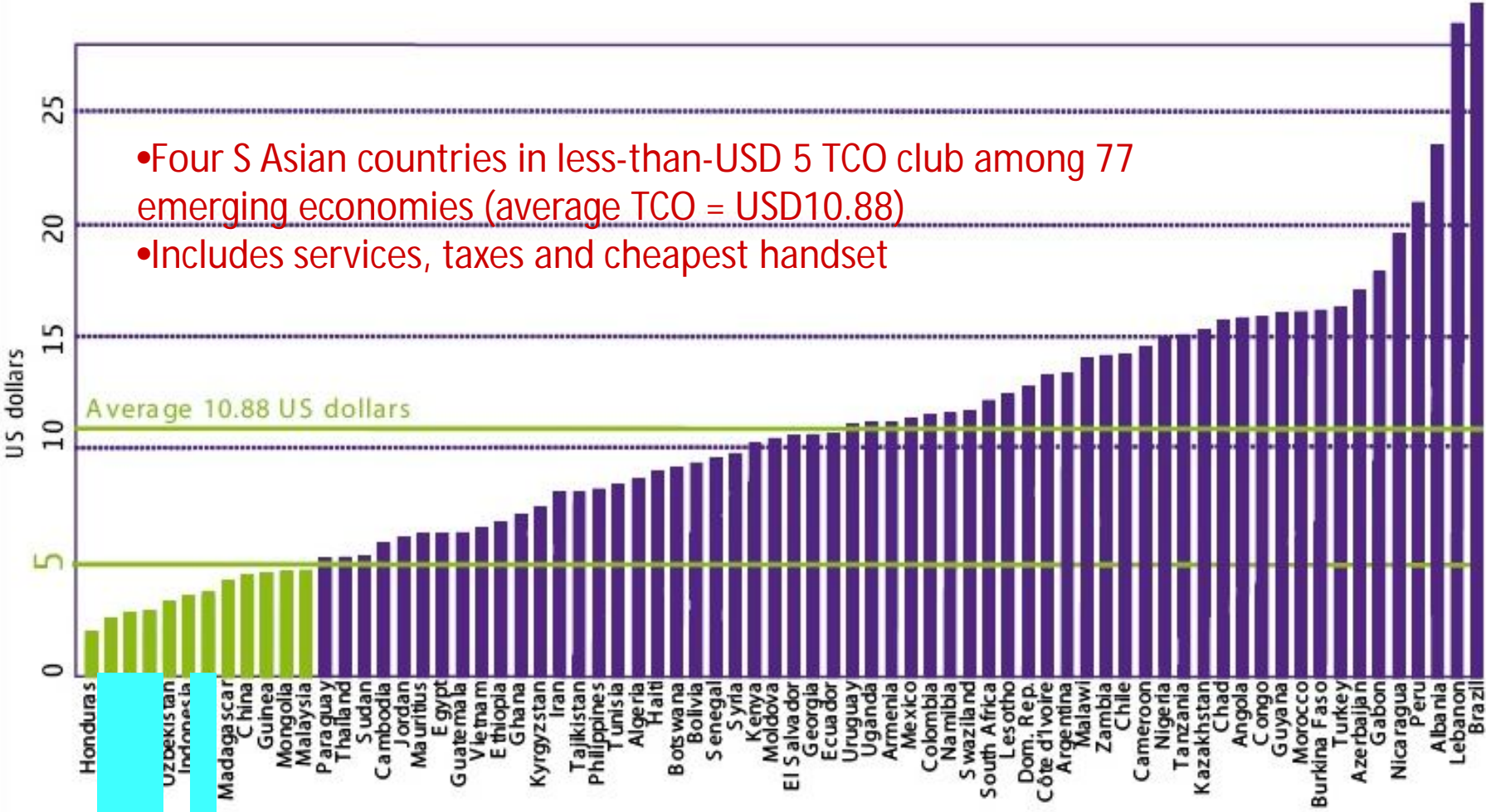


- Even at the BOP non-owners have access

\* Excludes CDMA fixed wireless phones in Sri Lanka

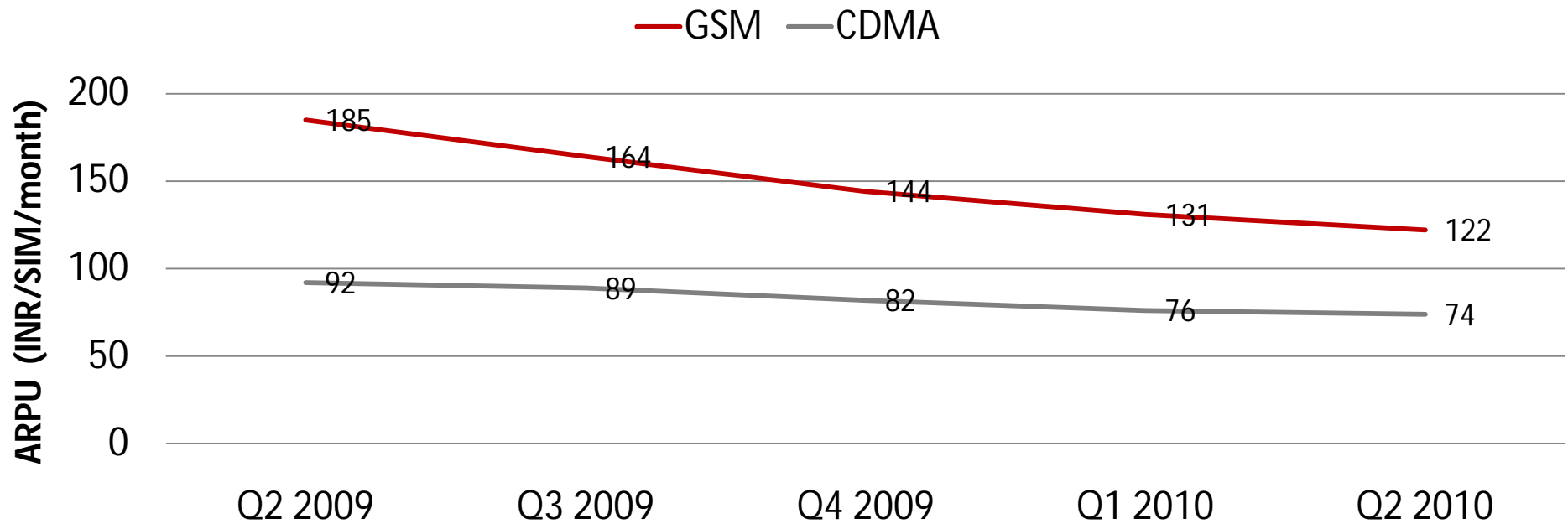
# Cost of ownership is declining (below USD5 in several emerging economies)

Monthly TCO by country



Source: Nokia Research 2009

# Operators finding it harder and harder to make money from basic services



Source: TRAI, 2010; USD= INR (June 2010)

# Concluding thoughts

- Developing world is connecting to the Internet via mobiles
  - Mobile access/ownership growing; affordability increasing
  - “Mobile2.0” and mobile Internet (data) services seen as a way to boost revenues and reduce churn AND provide access to an array of important services to BOP at lower transaction costs
  - Operators need to target “older” mobile owners, more educated, and current Internet users at the BOP
    - Leveraging on social networks can push services out
- Innovations in pricing of services for affordability needed
- Other conditions (e.g., payment services, delivery services, etc) need to be satisfied also

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