

# Hello from the other side: Have Myanmar's mobile adoption trends changed over the years?

POLICY BRIEF

In 2013, ninety-one international companies competed for two licenses to operate alongside Myanmar's incumbent telecommunications operator MPT; the licenses were awarded to Telenor and Ooredoo. A fourth license was issued in 2017 to a consortium led by Viettel to further stimulate competition. The liberalization of the mobile market led to dramatic drops in price and rapid growth in connectivity.

This study looks to assess if a demographic shift in new mobile owners occurred with phones diffusing to those in small townships in rural areas, or if phones continued to be concentrated in the hands of the wealthy in big cities. It then examines the relationship between the date of purchase of a SIM and different uses of mobile phones. The influence of other factors such as age, gender and socio-economic status are also addressed.

## SUMMARY OF FINDINGS/ RECOMMENDATIONS

### 1. Conduct scoping studies to assess need prior to disbursing USF subsidies

Residing in a rural area reduces the odds of using a mobile phone. However, over two thirds of late adopters lived in rural areas, and over half in small townships. This gradual diffusion of mobile phones through competitive forces may lessen the need for subsidized rollout of telecommunications infrastructure.

### 2. Encourage programmes that impart digital skills

Digital skills were identified as one of the most important determinants of many uses of phones. Yet, a mere 22 percent of mobile owners were able to search for information online, while 18 percent were able to create log-in details. The need to improve digital skills among mobile phone owners is clear.

## RESEARCH

### I METHODOLOGY

The primary source of data was a nationally representative household survey on ICT use and information needs in Myanmar. The fieldwork was conducted between June and August 2016. The survey was conducted among 7500 respondents, and was representative of 97% of households and 96.3% of the population aged 16-65.

Secondary sources from existing literature were also used to supplement the data from the survey.

Mobile adoption categories were designed based on key changes in the mobile telecommunications market in Myanmar, and profiles generated accordingly based on an individual's first SIM purchase. Descriptive statistics on the uses of phones by the adoption categories were generated, and binary logistic regressions were run.

### II REDUCTIONS IN PRICE, GREATER SUPPLY → INCREASED PURCHASE OF SIMS

Table 1 shows how stepped reductions in the price of SIMs were accompanied by an increase in the purchase of SIMs.

Table 1: SIM purchase by price and period of adoption (%)

Category	Period of adoption	Price of SIM	Proportion mobile SIM purchases (%)
Innovators	Jan 2000-Dec 2009	USD 1500-USD 5000	4.3
Early adopters	Jan 2010-Mar 2013	USD 200-USD 500	23.9
Early majority	Apr 2013-Jul 2014	USD 1.5	28.6
Late majority	Aug 2014-Aug 2016	USD 1.5	43.2

Source: Authors based on LIRNEasia (2016), Min, Fife & Bohlin (2014) and Nyunt, A. K. (2013)

The prices MPT SIMs were reduced to USD 1.5 in April 2013, a significant drop from the prices charged earlier. However, the supply of SIMs was controlled, using a public lottery to distribute 350,000 units on a monthly basis. SIMs from MPT, Telenor and Ooredoo were freely available from August/September 2014 at the same price. A surge in the purchase of SIMs followed, with supply being able to match demand.

### III GRADUAL DIFFUSION OF MOBILES TO RURAL AREAS, SMALL TOWNSHIPS

At the time of the survey (in June-August 2016), those residing in rural areas were less likely to be mobile owners than their urban counterparts. However, the proportion of SIMs bought in rural areas by late adopters (69% percent) was double that of innovators. The number of SIMs in rural areas at the time of the survey exceeded those in urban areas, increasing by 101 percent from February/March 2015. Fifty four percent of SIMs were in small townships, which represented 57 percent of the population.

### IV VARIED USE OF MOBILES BY TIME OF ADOPTION

**Table 2: Uses of phones by adoption category (%) calls**

Category	Innovators	Early adopters	Early majority	Late adopters
Network calls	65.7	74.4	73.3	72.2
Missed calls	53.3	62.5	61.1	64.0
SMS	52.1	51.2	47.6	47.1
Facebook	54.7	46.9	34.5	27.7
Chat/IM apps	52.8	42.3	33.6	32.3
Internet calls	43.1	34.4	28.6	25.9

Source: Authors based on LIRNEasia (2016)

network calls and missed calls.

Two distinct trends were observed. Veterans such as innovators were more likely to use email, Facebook and instant messaging/chat services, make Internet calls, and stream music and watch videos. This was true even after controlling for other factors such as education, digital literacy, socio-economic status, gender, age and networked effects. Those who purchased SIMs after 2010 were more likely than innovators to use their phones to make

### V DIGITAL LITERACY KEY DRIVER OF MOBILE USE

Digital literacy (measured by an individual's ability to engage in activities such as installing applications and adjusting settings) was a key driver of various forms of mobile use. This was observed across the board, where relative importance of other variables such as gender and socio-economic status, varied greatly.

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### AUTHORS

Gayani Hurulle | Research Manager, LIRNEasia | 12 Balcombe Place, Colombo 00800, Sri Lanka | Tel Fax +94 11 267 1075 | [gayani@lirneasia.net](mailto:gayani@lirneasia.net) | [www.lirneasia.net](http://www.lirneasia.net)

Ayesha Zainudeen | Senior Research Manager, LIRNEasia | 12 Balcombe Place, Colombo 00800, Sri Lanka | Tel Fax +94 11 267 1075 | [ayasha@lirneasia.net](mailto:ayasha@lirneasia.net) | [www.lirneasia.net](http://www.lirneasia.net)

Helani Galpaya | CEO, LIRNEasia | 12 Balcombe Place, Colombo 00800, Sri Lanka | Tel Fax +94 11 267 1075 | [helani@lirneasia.net](mailto:helani@lirneasia.net) | [www.lirneasia.net](http://www.lirneasia.net)