Cellular Mobile Phone Service & Users' Preferences in Quetta City

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Abstract

The use of cellular mobile phone has increased dramatically in the last few years. The rapid growth in the use of cellular mobile phone has attracted the attention of many service providers to start their operations in Quetta city. In order to operate in the competitive environment, these service providers have introduced various service packages to increase their market share. The objective of this research article was to provide with a comprehensive analysis of the cellular mobile phone users market and to envisage the behavior of mobile users' preferences for various service packages and companies. The analysis of the users' preferences about the various characteristics of cellular mobile phones reveals that they assign highest priority to instant connectivity and low call rates. The analysis is an important guide for the future planning of the existing and new aspirant cellular service providers to better understand the users' behavior and their preferences.

Introduction

Cellular mobile phone service is the wireless telecommunication service that is operated via Mobile phone or Cellular phone (An electronic telecommunications device). Mobile phones are connecting to a cellular network of base station which in turn is interconnected to the public switched telephone network (PSTN). Current mobile phone cellular networks were first introduced in the world in the mid 1980s by the Bell Telephone Systems[1]. Mobile phone has certain characteristics which have made it superior to other phone systems. In addition to the standard voice function of telephone, a mobile phone can support many additional

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services such as SMS for text messaging, packet switching for access to the Internet, and MMS for sending and receiving photos and video.

In Pakistan, first cellular mobile service provider was introduced in the mid 1990. It was InstaPhone. In the beginning, the use of mobile service was very limited in Pakistan. There were only few people, either rich or elite, making the use of cellular services. Mobile phone was considered to be the status symbol those days and only rich and elite could afford it. In the end of 1992, another cellular network was introduced. It was Paktel. Gradually, many mobile phone service providers have started their operations. Currently in Pakistan, six cellular networks are in operations namely InstaPhone, Paktel which is renamed as Zong, Mobilink, U*fone*, Al-Warid and Telenor. With the advancement in technology and network services, and decreasing prices, the number of users of cellular networks has increased dramatically. Cellular networks began to spread even in the villages of Pakistan. In this regard, Mobilink is the first network which promoted coverage culture in Pakistan. With drastic decrease in prices of cell devices and even in the prices of cellular network connections, the number of users of cellular mobile phone services has rapidly increased. Statistics show that there are currently more than five-Koror (50,000,000) users in Pakistan[2]. While in 1993, there were hardly 2000 users in all, using cellular services. The most recent statistics of May, 2008, about the total number of subscribers in Pakistan is (86,698,075)[3]

With the increase in cellular networks of different international companies in Pakistan, there has been very tough competition among these cellular service provider companies. Each cellular network service provider is introducing varieties of service packages to attract the customers to join their company. It has been observed that many

customers subscribe for specific cellular connection according to their personal preferences, satisfactions and peculiar communication needs. Many subscribers abandon their current cellular connections and switch to others when they find that their current cellular connection do not fulfill their specific communication needs and other networks are providing better services. The factors like signal problem in a geographical area, accessibility problem, voice quality, instant call connectivity, call rates are the major determinants of the users' preferences. The subscribers are also affected by the corporate services like SMS, MMS, GPRS, etc…

Some cellular mobile phone service providers have wide area network coverage in Pakistan. There are some areas in which the only one network service is in operation and many people and their relatives subscribe for the same cellular network connection. It is because; call from a network to the same network is low in price. Making call from network 'A' to network 'A', is relatively low in price than makings call from network 'A' to network 'B'.

Market Analysis

Currently, six cellular mobile phone companies are operating in Quetta, namely, InstaPhone, Paktel, Mobilink, U*fone*, Al-Warid and Telenor. All the cellular mobile phone service providers work under the executive control of Pakistan Telecommunication Authority (PTA) through its Mobile Policy. It initiates new access code for each cellular service provider if it reaches the limit of 5 million subscribers. PTA keeps a visionary watch on the services of the cellular mobile phone service providers to ensure quality services and prevent those providing bad services to the subscribers. If any service provider is not up to the mark in terms of connectivity, voice quality etc…, it is charged for by heavy

fine according to the rules and regulations. A brief description of each of these cellular mobile service providers is given below.

InstaPhone

InstaPhone is the first cellular service provider company which started its operations in Pakistan. [4]It was established in 1990 and started its operations on September 1990 from Islamabad and Karachi, with its head office in Islamabad, and gradually extended its operations in different cities of Pakistan. Currently, InstaPhone is providing its services in 185 cities of Pakistan. It aims to further extend its network coverage in other cities of Pakistan with CDMA Technology. From the inception, InstaPhone network had been using Analog Mobile Phone System (AMPS) Technology but, with the advancement in technology it converted its networks to D-MPS Technology which is also referred to as Time Division Multiple Access (TDMA) Technology.

InstaPhone started its operations in Quetta on October 1991. According to InstaPhone local management in Quetta district, its overall subscribers in all over Pakistan are almost 470,000 by September 2006, and in Quetta its number of users is approximately 20,000[5].

InstaPhone is providing its customers with high quality services including voice quality, SMS, MMS, and other value added services like call waiting, call forwarding etc and introduced other attractive packages to attract new customers and to sustain existing subscribers. InstaPhone is also facilitating its customers with roaming services at national and international level. Despite these, it has been noted that, with the arrival of other networks, many InstaPhone subscribers have switched to other networks for better services.

Paktel

Paktel is the second cellular service provider company in Pakistan. It was established in 1992 and started its operations in the end 1992, with its head office in Islamabad, and gradually extended its operations in different cities of Pakistan. It was set up by cable & wireless and carried out AMPS services until 2004. Later on the company launched GSM services as well. Currently Paktel is providing its services in almost 320 cities and towns of Pakistan with both Analog Mobile Phone System (AMPS) and Global System for Mobile Communication (GSM) based technologies[6]. Paktel is not the giant in the cellular industry of Pakistan. It captures a very small portion of user base capacity of only 2 million subscribers in Pakistan[7]. According to its local management in Quetta city, its subscribers in Quetta were approximately 2300.

Paktel is providing its customers with value added services like International SMS, voice mail, CLI, call waiting, call forwarding and conference calling. But many subscribers of Paktel are looking to other networks for better services because sometimes Paktel subscribers face problems in receiving calls and SMS. It has no GPRS and MMS services[8]. In January 2007, Millicom sold Paktel for 284 million US Dollar to China Mobile. On 4th May, 2007, Paktel was renamed to CM Pak. China Mobile Pakistan (CM Pak) is now a 100% subsidiary of China Mobile. It came through acquisition of a license from Millicom to operate a GSM network in Pakistan. The service is now provided by the name of Zong.

Mobilink

Mobilink is the third cellular service provider in Pakistan. It is the subsidiary of ORASCOM telecom. It was established in 1994 and started its operation in early 1994 from Islamabad, Karachi and Lahore, with its

head office in Islamabad[9]. It gradually extended its operations in different cities of Pakistan. Currently Mobilink is providing its services in almost 5000 cities, towns and villages of Pakistan. It aims to extend its network coverage in other cities, towns, highways and villages of Pakistan as well.

Mobilink is the first GSM (Global System for Mobile communication) cellular based network of Pakistan. Prior to this, other companies namely InstaPhone and Paktel were using AMPS technology for mobile communication. GSM technology provides higher capacity for data transfer than AMPS technology, and is based on SIM technology. Mobilink, came into the market and became very popular among the users because it was the first SIM based GSM network providing the customers with best quality services. Mobilink kept on introducing several attractive schemes for its subscribers with affordable prices and has become the market leader in Pakistan and hence Mobilink is the largest company in Pakistan.

Mobilink started its operations in Quetta in September 2001. According to the Mobilink local management of Quetta district, its overall subscribers in Pakistan have exceeded 17 million. In Quetta, its number of users is approximately 455,000[10]. Mobilink has become the largest cellular service provider in Pakistan.

Mobilink is providing its customers with high quality services including voice quality, SMS, MMS, and value added services including calls divert, call waiting etc, and attractive packages with affordable rates. Mobilink network also supports WAP and internet services in few citifies of Pakistan. Mobilink aims to gradually increase WAP and internet services to other cities of Pakistan as well. Mobilink is providing roaming services at national and international level but receiving no

roaming charges at national level. Mobilink is facing tough competition from its counterparts these days. Keeping in view the market competition, Mobilink has always tried to set up unbeatable rates with quality services for its customers under different packages.

Ufone-PTML

U*fone*-PTML (Pakistan Telecom Mobile Limited) is the fourth cellular service provider in Pakistan. After the privatization of PTCL, U*fone* is now renamed as Etisalat Telecom Company. U*fone* network was established in January 2001 and started its operations on January 29 from Islamabad[11]. Its head office is also in Islamabad. It gradually extended its operations in different cities, villages and highways of Pakistan. Currently U*fone* is providing its services in almost 428 cities, highways and villages of Pakistan and is gradually extending its network coverage in other cities of Pakistan.

U*fone* network also uses state of the art SIM based GSM technology. U*fone* introduced its quality services along with different packages. With the arrival in the market, U*fone* cellular service provider rapidly increased its network for comprehensive coverage. Its coverage is not only confined to big cities of Pakistan but also covers super highways and Motorways for instant connectivity. All these caused the rapid growth of U*fone* in telecommunication market. Another reason for rapid growth in the market is its introduction of GPRS (General Packet Radio Service), internet connectivity, faster data transfer and download, visual communication etc, and it is providing these facilities in all big cities of Pakistan. U*fone* also facilitates for SMS and MMS, international calling, voice mail, call waiting and call forwarding.

U*fone* started its operations in Quetta in the mid 2002. According to the U*fone* local management of Quetta district, its overall

subscribers throughout Pakistan have exceeded more than 13 million and in Quetta, its number of users is approximately 275,000[12].

It has been the strategy of U*fone*-PTML to introduce its rates in a very simple package which has caused a rapid grapping of telecommunication market. U*fone* has set up a strategy of pricing little number of packages.

Al-Warid

Warid Telecom (Warid Telecommunication) is the fifth cellular service provider in Pakistan. Warid Telecom is Abu Dhabi based mobile telecommunication company. Warid telecom network was established in 2005 and started its operations on May 23, 2005[13]. Warid is the only telecommunication company that initiated its services in 28 cities of Pakistan simultaneously including Quetta, Islamabad, Karachi, Lahore, and Peshawar etc. Its head office is in Lahore. It is gradually extending its operations in different cities and villages of Pakistan. Currently Warid telecom is providing its services in almost 114 cities and villages of Pakistan.

Al-Warid network uses state of the art SIM based GSM technology. The subscribers of Warid telecom have increased more rapidly than any other cellular network in Pakistan. By May 2006, Al-Warid had almost one million users[14]. Warid telecom aims to extend its cellular network throughout Pakistan, but with super and high quality services such as voice quality, instant connectivity, and accessibility.

Warid telecom is providing services like GPRS for internet access, SMS, MMS, and International roaming with very competitive prices to its customers. Besides these, it is also providing free roaming throughout Pakistan, free SMS via internet and the newly introduced 30 second billing system for the first time in Pakistan. These services have

not only attracted new customer but also helped to sustain the existing subscribers of the company. The striking feature of Warid telecom is that it informs its customers about each call cost soon after the call ends. Warid telecom does not deduct sales tax directly from the customer's account which is an additional attribute of this company.

Warid telecom started its operations in Quetta in May 23, 2005. According to Al-Warid local management of Quetta district, its subscribers in Pakistan have exceeded 6 millions, and in Quetta, its number of users is almost 6,000[15].

Telenor

Telenor is the sixth cellular service provider in Pakistan. It was established in 1992 and started its operations in the end of 1992[16]. Its head office is in Islamabad. Telenor is increasing its network coverage rapidly to extend its operations in different cities of Pakistan. Currently, Telenor is providing its services in more than 1200 locations, including cities, towns, highways and villages in Pakistan with GSM based technology. Telenor's subscribers in Pakistan in third quarter of 2007 reached to 12.58 million[17]. According to its local management in Quetta city, its subscribers in Quetta are approximately 5000.

Telenor is providing its customers with high quality services like SMS, instant connectivity etc and different attractive packages, but it has been observed that users of Telenor cellular network frequently switch to other networks. Telenor's sound clarity is really excellent and its GPRS is fast connecting. It was the first cellular network that had introduced a new idea of easy load which is an excellent way of recharging. The SMS of Telenor works well but little slow. Telenor connects very fast.

The companies' market share in terms of their number of subscribers is changing. The recent statistics of May, 2008, for the

number of subscribers of each cellular network in Pakistan is given bellow in a descending order[18].

Name of company	Number of subscribers
Mobilink	31,958,595
Telenor	17,841, 074
U*fone*	17,800,424
Warid	15,114,678
Zong	3,662,099
InstaPhone	321,204
Total No. of subscribers in Pakistan	86,698,075

Users' preferences for the various characteristics of cellular mobile phone services in Quetta city

In order to analyze the users' preferences for the various characteristics of cellular mobile phone services, a comprehensive research enquiry was conducted. The objective of the study was to gain knowledge about users' preferences for using particular mobile phone connection. For the study a sample of 100 users was selected. The convenient sampling method was adopted. Representation was given to the students, shopkeepers, professionals, office workers, managers etc. Representation was also given to different areas of Quetta city. Among the users selected, 42% had only one connection, while a majority of 58% had more than one connection. The sample selected for the study was surveyed through questionnaire. The respondent's surveyed were asked to mention the mobile connection they were using for the first time and the mobile connection they are using currently. Their responses are given in the table below.

Name of cellular network.	No. of users using connection for the first time.	No. of users using connection currently.	Gain & loss of customers by networks
Insta phone Paktel Mobilink Ufone Telenor Al-Warid	15 5 45 19 7 9	2 1 34 29 13 21	13 (Loss) 4 (Loss) 11 (Loss) 10 (Gain) 6 (Gain) 12 (Gain)
Total	100	100	28 (Loss) 28 (Gain)

The table above shows that many respondents have abandoned the use of mobile connections of InstaPhone and Paktel while Mobilink also lost some of its customers to other networks such as Ufone, Telenor and Al-Warid over time. Al-Warid according to the survey has gained the greatest number of customers, while Telenor is the second that gained greater number of customers.

When the respondents were asked whether they are satisfied with their current network connection, 72% of them said they are satisfied while only 28% of them said they are not satisfied with their current network connection.

The users were asked to rank their preferences in order of priority of the following characteristics of cellular network connection. Their responses are summarized in the following table.

Characteristics	First preference	Second preference	Third preference	Fourth preference	Fifth preference	Sixth preference	%age
Instant connectivity	38	22	12	15	8	5	100
Voice quality	10	21	28	17	20	4	100
Accessibility	11	15	19	34	16	5	100
Low call rates	31	25	21	11	10	2	100
Low SMS rates	10	15	15	19	30	11	100
Internet connection	0	2	5	4	16	73	100
Total	100	100	100	100	100	100	_

The figures in the above table shows that users assign highest priority to the instant connectivity and low call rates. But they assign least priority to the internet connection. This may be because of the difficulty, cost and the low tendency for using internet on mobile phones. The users are almost neutral about the accessibility and voice quality. While there is tendency of low priority for the low SMS rates because very few people use SMS. Taken together as a whole, the data above reveals that instant connectivity is the users first priority, low call rates at second, voice quality at third accessibility at fourth, low SMS calls at fifth and internet connection at sixth preference respectively. The data above gives an insight to the cellular mobile phone service providers to gauge the preferences of users and to devise their strategies accordingly.

Conclusions and Recommendations

The use of cellular mobile phone service is growing rapidly. The service providers are trying to attract more customers and capture high share in the growing market. But as the competition is becoming stiffer and stiffer among various service providers, and the market is becoming saturated, new and customer oriented strategies are required to sustain the market share. The Time Division Multiple Access (TDMA) technology is now out dated and the Global System for Mobile communication (GSM),

which is Sim based technology, is gaining popularity among users because of its advantages. GSM, Sim based technology is easily installable and widely available in the ordinary shops. It can also store contact numbers with huge storage capacity. When introducing new packages, the service providers need to impose low activation charges. The cellular mobile phone users are highly sensitive to the connectivity problem. It is therefore suggested that these cellular networks must improve their communication servers. Similarly, the customers give value to those packages which are low in costs. Many customers do not use the new and customized packages due to the problem of communicating those packages in English. It is again suggested that these packages must be communicated in simple way so that the customers can understand them.

End Notes:

[1] www.wikipedia.com
[2] http://telecompk.blogspot.com/
[3] www.propakistani.com/
[4] www.instaphone.com
[5] Mr. Mubashar, Zonal Sales Officer, InstaPhone, Quetta.
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