

Mobile Number Portability More Attractive To India's Postpaid Users and High Spenders: Nielsen Study

Reliance, Tata, and BSNL Subscribers More Likely To Switch

Mumbai, Maharashtra, July 29, 2009 /[India PRwire](#)/ -- The introduction of Mobile Number Portability is considered good news for consumers, but presents a looming threat for mobile operators since it presents consumers with the choice of retaining their current mobile phone numbers even if they change their operator. And according to a recently conducted Mobile Consumer Insights study conducted by The Nielsen Company to gauge consumer attitudes and behavior towards mobile operators in India, it seems that close to one in five (18%) Indian mobile phone subscribers would change their mobile operator if Mobile Number Portability is introduced into the market.

Among the respondents, one in four Reliance and Tata Indicom subscribers would be keen to change their operator if Mobile Number Portability is introduced, followed by close to one in five (19%) of BSNL subscribers.

In the third consecutive round of the Mobile Consumer Insights study by Nielsen in India, 12,500 mobile subscribers were surveyed across 50 centers in India. Nielsen augments the study with objective measurement of network performance, with the Consumer Insights part of the study measuring metrics such as satisfaction, willingness to recommend, reasons for churn and reasons for operator selection.

"Mobile Number Portability represents a powerful opportunity for operators to drive in-bound porting of high-value subscribers provided they have a good understanding of who is more likely to switch and why," said Shankari Panchapakesan, Executive Director, Telecom Practice, The Nielsen Company, India.

According to the Nielsen Mobile Consumer Insights study, high spenders, postpaid subscribers and business subscribers show a greater tendency to switch if Mobile Number Portability is introduced. Prepaid, low and medium spend users are not motivated to switch. Postpaid subscribers have almost double the minutes of usage compared to pre-paid subscribers and the incidence of data application usage is also higher among postpaid and high spenders. Vodafone has the highest postpaid subscriber base in India. (See Chart 1)

"When Mobile Number Portability was introduced in the US, price/promotions were by far the leading drivers of acquisition. Ultimately the operator who leveraged the propensity of subscribers to choose based on price/promotions was successful in riding the Mobile Number Portability wave. In India, Mobile Number Portability can be leveraged by operators through smart, targeted marketing and promotions to coincide with the introduction of the facility," continued Panchapakesan. (See Chart 2)

Reasons for operator selection

In the previous wave of the Nielsen study, Network Quality was a bigger driver of operator choice, driven by GSM subscribers, whereas Price was the primary consideration for value-conscious CDMA subscribers. In this round, Price is the primary driver for selecting an operator across all subscribers, but still to a greater degree among CDMA subscribers.

According to the Nielsen study, among those subscribers who selected a mobile operator in the past year, Price was the motivator for close to two in five (39%), and Network Quality the driver of choice for over a third (36%). Promotion, Reputation/Recommendation and Customer Service were among other considerations before selecting a mobile operator.

Satisfaction levels with current operators

More than half (55%) of all respondents were generally satisfied with their mobile operator and 48 percent were satisfied with the network quality. However, satisfaction scores on network quality dropped for almost all operators, with Airtel, BSNL and Reliance registering the greatest drops. 46 percent were satisfied with the network coverage area of their operator and 43 percent were satisfied with the price they paid for the mobile phone service by their operator.

Other areas of satisfaction included customer service experience and quality of voice (both 42%), strength of signal, Voice & Data tariff options and accuracy of bills (all 41%), indoor coverage (40%), dropped calls (32%).

Loyalty to operators is seen to be higher among lower socio-economic groups, older age groups, and among females. The circles in which subscribers are more likely to shift are Mumbai and Delhi Metro, UP East and West, Gujarat, Rajasthan, Andhra Pradesh, Karnataka, Kerala, and Rest of West Bengal (does not include Kolkata Metro). Circles in which subscribers show higher retention levels are Chennai Metro, Haryana, Himachal Pradesh, Punjab, UP East, Rest of Maharashtra (does not include Mumbai Metro), Rest of Tamil Nadu (does not include Chennai Metro), Bihar, and Jharkhand.

“Consumers and the market will decide who the predominant player will be, with the significant developments in the industry of Mobile Number Portability. As the market grows and hyper-competition takes effect, retention of the right type of customers will become critical,” said Panchapakesan.

About Nielsen Telecom Practice

Nielsen Telecom Practice, an industry-focused service of The Nielsen Company, is the world's largest independent provider of both syndicated and customized consumer research to the telecom and mobile media markets. Nielsen Telecom Practice focuses on tracking the behavior, attitudes and experiences of mobile consumers; their reports also provide up to seven years of data on internet, video, gaming, audio and advertising trends for mobile phone users. Nielsen's technology-driven research provides unique and holistic insights into how mobile customers use their devices and what they think about brands, devices and services. Nielsen has the unique capability to offer objective measurement of Consumer Experience of network quality in its comprehensive solutions suite.

Notes to Editor

About The Nielsen Company

The Nielsen Company is a global information and media company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and business publications (Billboard, The Hollywood Reporter, Adweek). The privately held company is active in more than 100 countries, with headquarters in New York, USA. For more information, please visit, www.nielsen.com.

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