

Thursday, 4 March 2010

Mobile Market is Dysfunctional for Multinational Customers

Multinational Companies (MNCs) call on industry to meet their needs in the mobile market: cross-border one-stop shopping; one-stop billing; centralised management; and last but not least, reasonable prices.

INTUG (the International Telecommunications Users Group) is today releasing a paper on the problems MNCs experience in the mobile market when they seek to centrally manage and rationalise the use of mobile communications, whether in a region or globally.

The paper highlights that providers have no consistent offering across their coverage region. MNCs have to face an incoherent patchwork of services, bundles, pricing schemes and management capabilities.

INTUG's research finds that mobile operators concentrate more on private mass market consumers and domestic profitability and neglect the competitive opportunity to offer MNCs and SMEs in the business market consistent and fairly priced international services packages.

MNCs and SMEs are more able to manage their regional or global voice and data networks in a centralised way that corresponds to their needs. Attempts to do the same in the mobile market systematically fail, because providers are not geared up to satisfy these requirements.

The cost of international mobile communications is also staggering, compared to calls over the fixed network. Businesses accept that mobile communications still come at a premium price today, but the international rates seem to be disconnected from any cost-based model. Roaming tariffs (rates for making or receiving calls on a mobile while abroad) are many times the price of domestic calls, even though the international portion of the mobile call goes over the same low cost high speed links which operators use for fixed calls.

When using mobile data abroad, the situation only gets worse, as many reported bill shocks prove. This forces companies to limit data service usage, which in turn handicaps operators from further developing the market. Only when price levels are reasonable will professionals increase their use of mobile data services.

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INTUG is calling upon suppliers of international mobile services to move away from country-based selling models and to create multi-country business units with their own P&L that offer the kind of service multinationals need, which is specifically: one-stop shopping, one-stop billing and centralised management of mobile communications at fair and reasonable cost-based and transparent prices.

At the same time, INTUG is calling upon the European Commission and BEREC (the Body of European Regulators of Electronic Communications) to continue to intervene in this dysfunctional market, in which consumers as well as companies are ripped-off when using mobiles abroad.

INTUG's Chairman, Rosemary Sinclair, said today, "With today's communications technology, there is no fundamental reason why mobile communications should cost a multiple of fixed communications. INTUG expects roaming costs to disappear over time. Unfortunately, it may be that new regulation will be needed to get there."

"Right now, INTUG recommends that representatives of business customers act, and challenge the mobile operators to offer them the services they need at realistic prices. Technologically, there are no fundamental barriers preventing this from happening. It is a matter of willingness, organisation and entrepreneurship."

For the complete report see: <http://su.pr/29dYpx>

About INTUG

INTUG is an international association of business users of telecommunications, bringing together national and multinational user associations throughout the world. With members and contacts in all five continents, it has a global presence.

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