
Pakistan Mobile 3G Data Tariff Benchmarking

Pakistan Mobile Operators Data Tariff Strategies & Comparison

PHONE WORLD

www.phoneworld.com.pk

Table of Contents

1. Introduction.....	1
2. Pre-Paid Data Packages.....	2
2.1 Daily Data Packages	2
2.2 Weekly Data Packages	4
2.3 Monthly Data Packages:	5
3. Post-Paid Data Packages	7
3.1 Weekly Data Packages:	7
3.2 Monthly Data Packages:	8
4. Conclusion	10

1. Introduction.

In this competitive telecom market of Pakistan, where 3G services are now commercially launched, a major concern for the mobile operators is how to make their Data tariff competitive, attractive and also profitable as to get maximum users, as Data ARPU will have a profound impact on future revenues. Those familiar with the Pakistani market also fear that for short term gains some operators tends to enter into price wars that effect not only financial viability of Data services but also the potential growth

Whenever you're trying to select a telecom services based on its data tariff, benchmarking or comparative analysis is the best way of getting an overview of data tariff offered by different mobile operators.

for long term. On the other side, most importantly from a consumer's point of view, when you have a choice between several operators with several packages, making the right choice is a difficult task.

Whenever you're trying to select a telecom services based on its data tariff, benchmarking or comparative analysis is the best way of getting an overview of data tariff offered by different mobile operators. Not only can it provide you with a clearer picture of the packages but it also helps you to decide the best for you.

Currently in Pakistan, four out of five operators have started offering 3G services whereas Warid did not roll out its 3G network, as it did not participate in the 3G/4G Auction held by the PTA in May, 2014. It is very likely that Warid might offer LTE services by the end of this year on a spectrum that it already has for GSM services by re-farming. However, no concrete schedule has been announced for launch of their services therefore we have not included their Data Tariff in this report.

Currently, four out of five operators have started offering 3G Data services whereas Warid did not roll out its 3G network, as it did not participate in the 3G/4G Auction.

PhoneWorld Magazine has always played an active role in facilitating the subscribers by providing reliable and accurate data regarding the ICT products and services. We have studied various 3G Data packages available in the market by all four mobile operators and tried to make a comparison of these tariffs in a simple format that can be understood not only by a business user but also by ordinary consumers as well.

2. Pre-Paid Data Packages

2.1 Daily Data Packages

Since, a very large customer base uses Daily packages, let us start by comparing daily data packages offered by mobile operators that have started offering 3G Data services. These data packages are available on official websites of all operators, so we have not given them in this report rather would encourage readers to visit operators web sites that contain details about other terms and conditions attached to each of their packages.

The daily data package offered by **Zong** is the cheapest and starts from Pak Rs. 4 but this comes with the data cap of 4 MB. **Zong** has also introduced three different packages for daily usage namely daily mini, daily basic and daily premium. The daily mini is the cheapest package with 4 MB for Pak Rs. 4. Other daily packages by Zong include the daily basic package of Pak Rs. 10 with the data limit of 30 MB while the daily premium package is for Rs.20 with the data limit of 80 MB. The data used without any package costs Rs.1 per MB which is the default package offered by **Zong**. The good thing about **Zong's** packages is that they are not speed limited. With 10 MHz of spectrum in 2100 Mhz and 10 MHz Spectrum in 1800 Mhz this tariff becomes even more attractive that is likely to offer good customer experience specially when more and more users come on board and network is put to real test.

Zong not only has the most economical Daily package of Rs. 4 and also has not applied any speed cap which makes their daily package even more attractive, when compared to other operators.

Ufone, is the only operator that has capped its data speeds most probably because of spectrum limitation, the more users pay the more speed they get. There are two different daily data packages offered by Ufone, one is special daily package which has a data limit of 50 MB for Rs.5 but with speed limit of 256 Kbps and time limit from 1 A.M. to 9 P.M. The second package that is being offered is the normal daily package which has the data limit of 40 MB and can be purchased for Rs. 10. Default data

The delay and then the sudden announcement of a new CEO has also given strength to rumors that all was not well with Mobilink commercial preparation for its 3G Launch Planning.

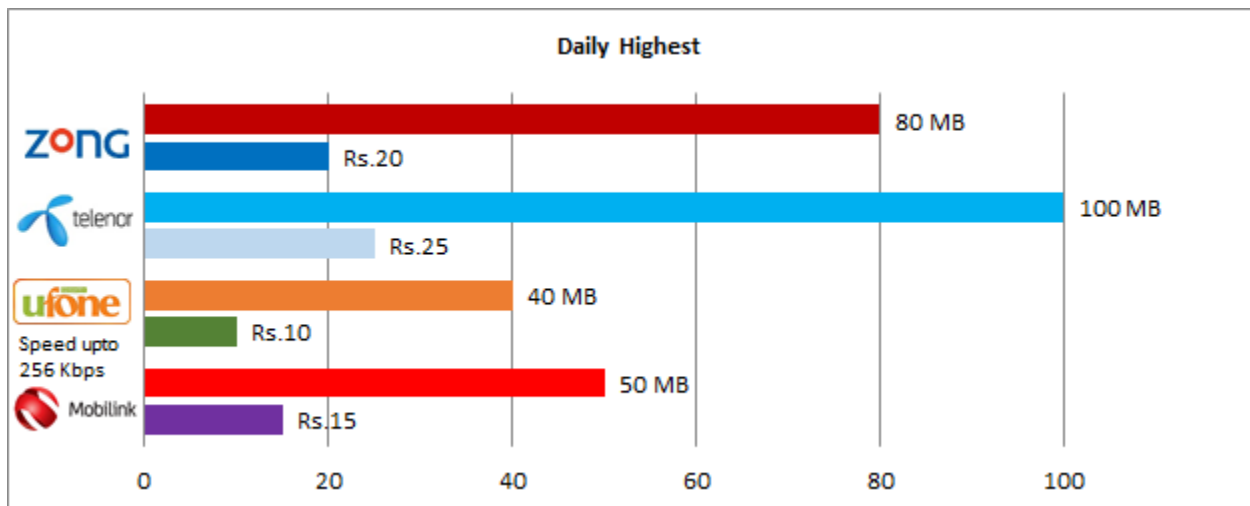
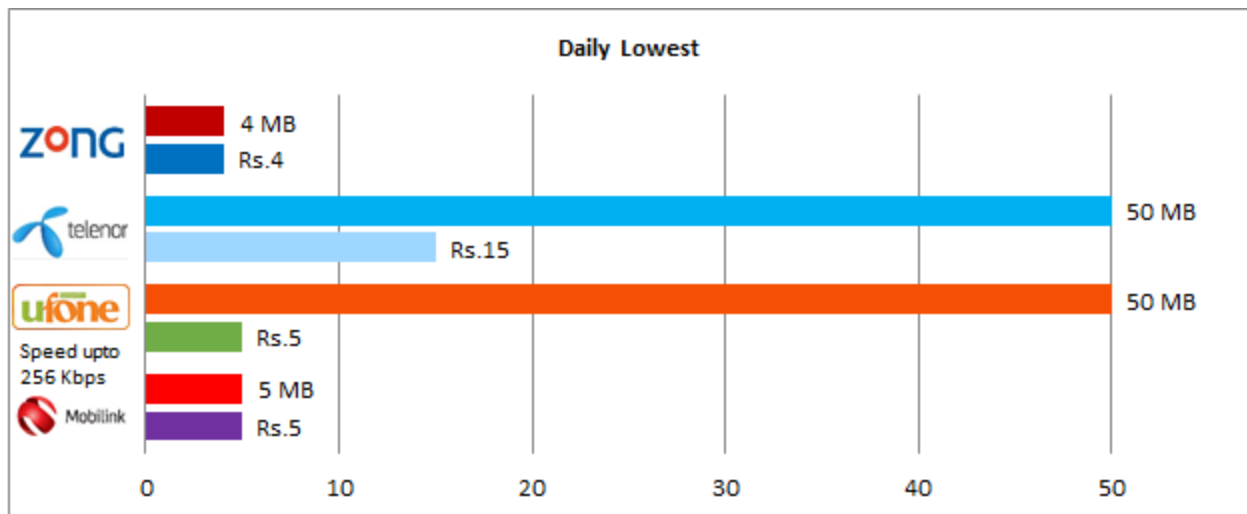
tariff for Ufone is of Rs.20 for the first MB and the user will get next 19 MBs free, then they will get charged for the 21st MB and will get the next 19 MBs free and so on. It should be kept in mind that both packages are speed limited and are capped to achieve maximum speed of 256 Kbps.

Telenor has also introduced two packages, the cheapest is the daily bundle package which is priced at RS.15 and has a quota of 50 MB. The higher priced package is daily plus bundle which costs Rs.25 and has the data limit of 100 MB. Default rate of data

without subscribing to bundles will be charged at 10 Paise per 10 KB. These packages offered by Telenor are not speed limited despite the fact that it has only 5 MHz bandwidth in 3G spectrum that may not have as much speed flexibility as **Zong** or **Mobilink**.

Mobilink was the last to announce its tariff of all the operators. They also only announced its prepaid packages and have yet to come up with their post-paid packages. The delay and then the sudden announcement of a new CEO has also given strength to rumors that all was not well with Mobilink commercial preparation for its 3G launch planning. Anyhow, there are two different daily packages offered by **Mobilink**, the cheaper of these two is the 3G daily bundle 2 which has data cap of 5 MB and costs Rs. 5. The other package which is more expensive is the 3G daily bundle 1 which costs Rs. 15 and has data limit of 50 MB. If you are not subscribed to any bundle, you will be charged at Pak Rs. 18 per MB. If a customer has not activated any 3G package, he will get 2G speed but when he activates a 3G package he will get 3G speed.

The tables below give a comparison of the data packages offered by four mobile operators, explaining both the daily lowest packages and daily highest packages in terms of Price and Data.



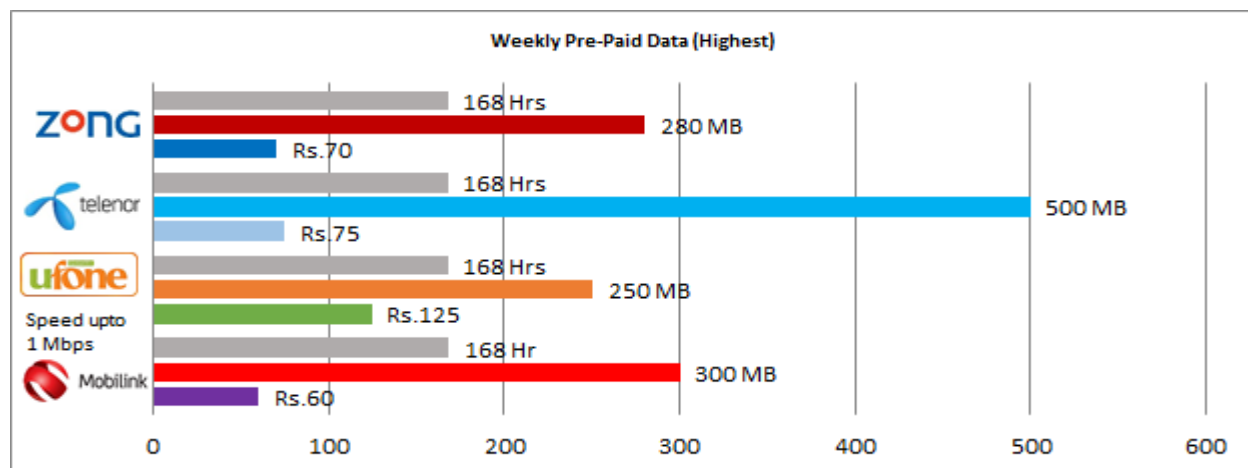
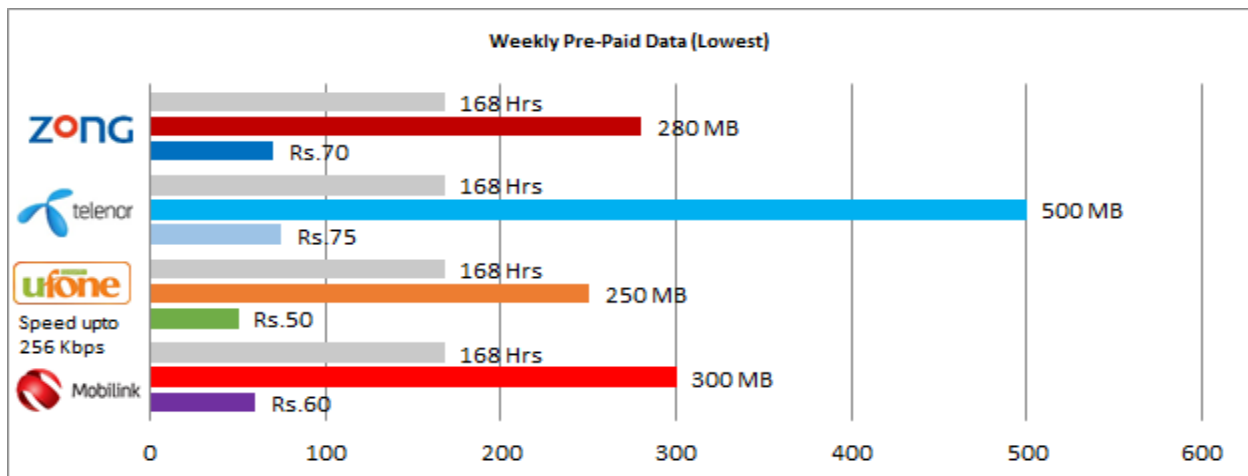
2.2 Weekly Data Packages

Zong has announced single weekly data package bundle for both post-paid and pre-paid customers. The bundle comprises of 280 MB of data at Rs.70. **Telenor** has also introduced a weekly data package which has a total quota of 500 MB with the price of Rs.75.

Ufone has come up with three weekly data packages based upon various speeds. The three data bundles are limited to 250 MB of data while the speed of the data bundle varies. The first data bundle can be purchased for Rs.50 and has a speed cap of 256 kbps. **Ufone** is targeting their 2G users for this package and has even mentioned this on their website. The second data bundle is of Rs.75 and has a bit higher data cap of 512 kbps, while the third data bundle is speed limited to 1 Mbps and cost Rs.125.

Mobilink, Zong and Telenor have offered only one weekly data package, while Ufone has offered three weekly data packages with different speeds.

Mobilink has one weekly data package to facilitate its 3G users, the package cost Rs.60 with data limitation of 300 MB.



2.3 Monthly Data Packages:

There are varieties of monthly data packages offered by mobile operators to choose from when it comes to monthly tariff so everyone wants to have a bigger pie of this segment. Starting with **Zong**, it has offered 5 different monthly packages for its pre-paid as well as post-paid customers. The low-priced among these 5 is the monthly mini which charges RS.50 and has a data limit of 150 MB and the most expensive package offered by **Zong** is monthly premium 4GB which costs around RS.650 with monthly limit of 4 GB (4096 MB). Besides these two data packages there are monthly basic packages of Rs. 150 with 500 MB of data, monthly premium 1GB for Rs. 250 and monthly premium 2GB for Rs. 350.

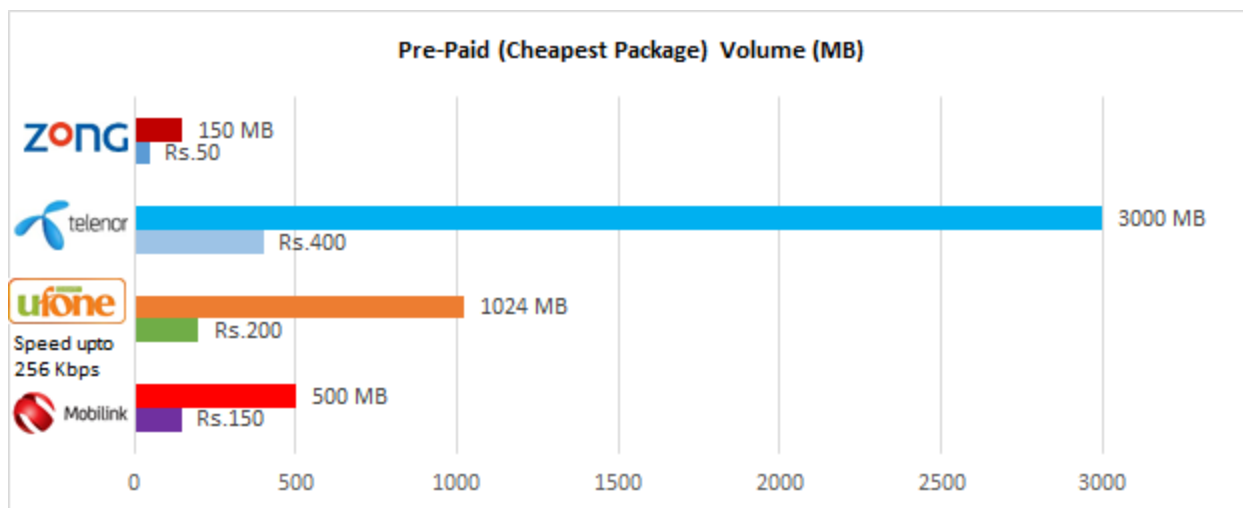
Zong has the cheapest monthly data package in terms of money but it has the lowest amount of data limit offered as well.

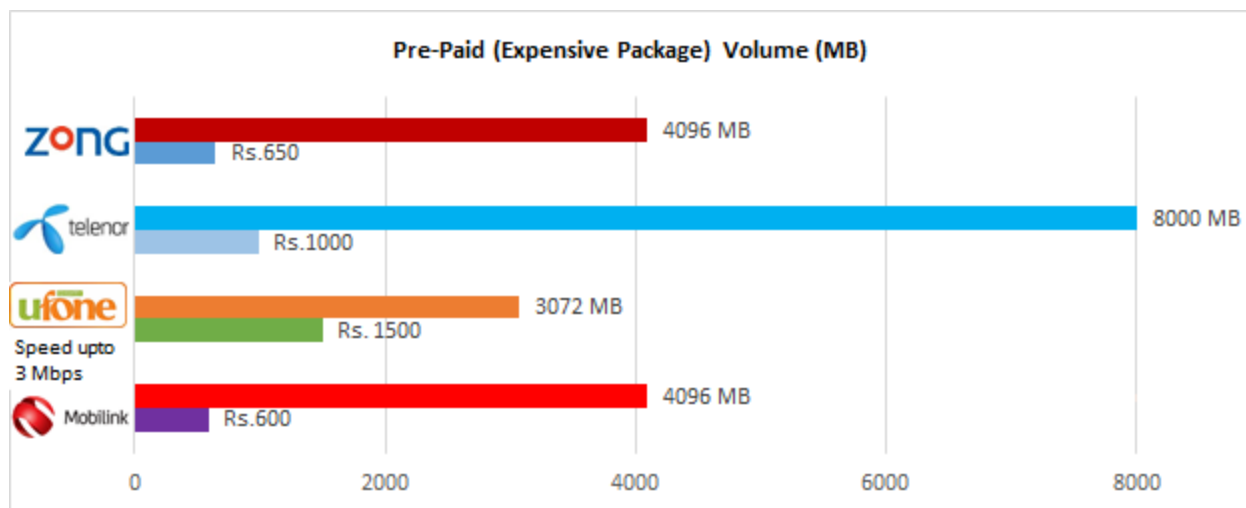
There are two monthly data packages offered by **Telenor** for its prepaid customers namely Monthly Bundle and Monthly Plus Bundle. The Monthly Bundle offers 3000 MB of data for RS.400, while the Monthly Plus Bundle offers 8000 MB of data for RS.1000. **Zong** and **Telenor** do not have speed limitations on these packages.

Ufone on the other hand has speed limitations on its packages. The most economical of these is the monthly 1GB data package that charges RS.200 and has a speed limitation of 256 Kbps. The most expensive data package offered by **Ufone** is the Monthly 3GB data package which costs Rs.1500 and has a speed cap up to 3 Mbps. Few more data packages are offered by **Ufone** but these packages are speed limited, from 256 Kbps to 3 Mbps.

Telenor provides the highest amount of data and also has the highest per Rs. data which is 8 MB per Rs.

Lastly, **Mobilink** has also presented different packages for its customers, starting from the lowest of Rs.150 with data bundle of 500 MB called the 3G Monthly Bundle-Lite to the highest of Rs.600 with the data bundle of 4GB called the 3G Monthly Bundle-Super.





3. Post-Paid Data Packages

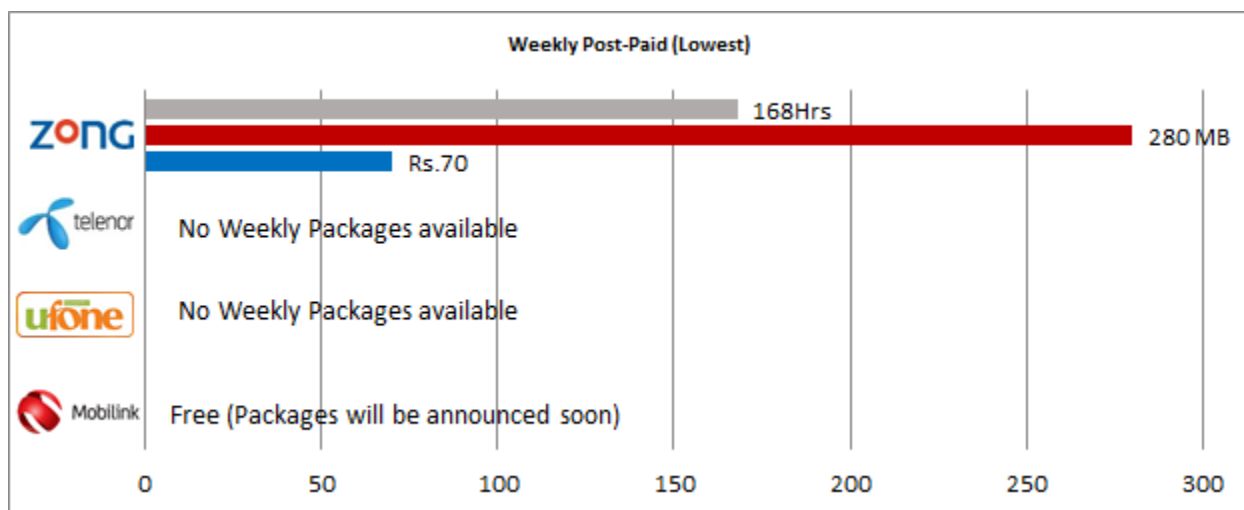
3.1 Weekly Data Packages:

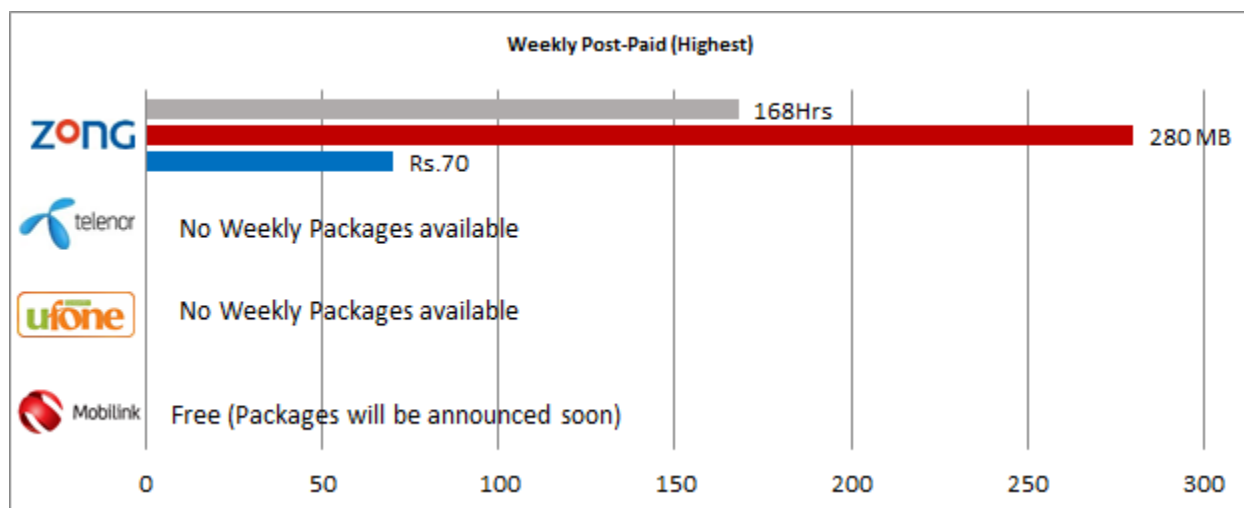
Telecom operators have also introduced data packages suitable for their post-paid customers on weekly and monthly basis. Starting from weekly data packages **Zong** has the same weekly data package for both pre-paid and post-paid customers which costs Rs.70 and has a data cap of 280 MB. **Telenor** and **Ufone** have not offered any weekly data packages for its post-paid customers.

Mobilink offers free 3G services to its post-paid customers till the data packages are announced.

Ufone and **Telenor** have not introduced any weekly data packages for its post-paid customers.

Mobilink till now has not been able to introduce any packages for its post-paid customers, the post-paid customers can enjoy 3G facilities for free (not exactly-if you have a 2G Data Package activated you will be charged the same 2G package. Infact, people without any data package are the main beneficiaries of this) till their postpaid packages are announced.





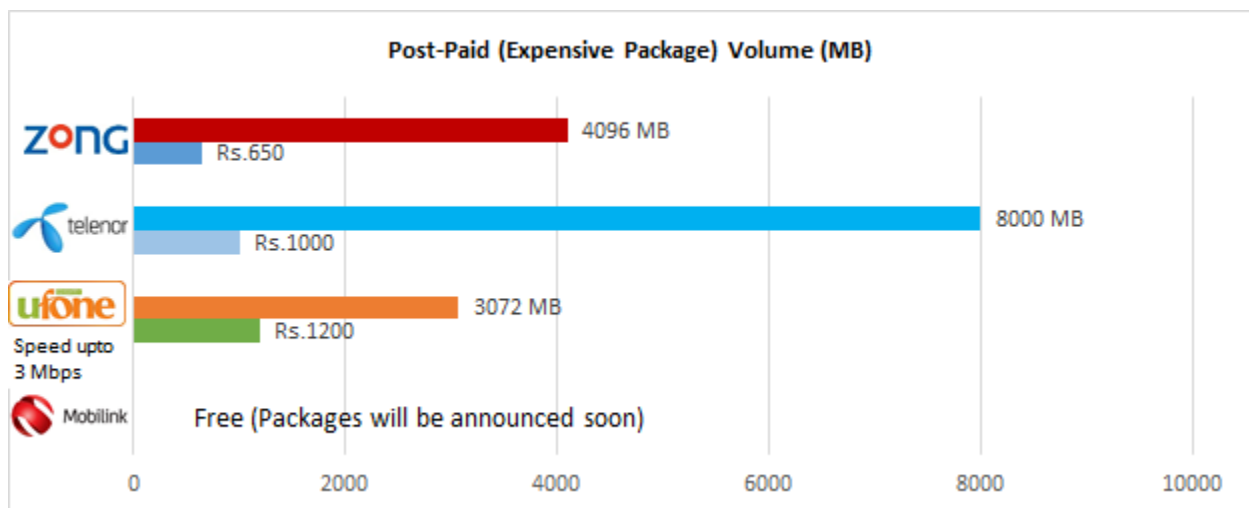
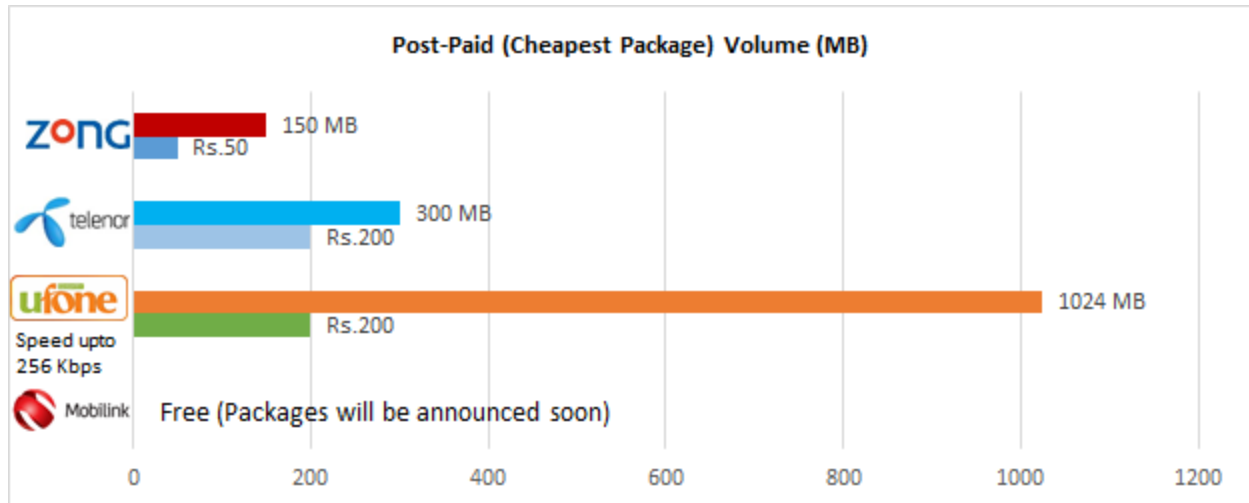
3.2 Monthly Data Packages:

Zong again has the same monthly data bundle for its post-paid customers as it has for its pre-paid customers. These packages have been previously mentioned above in the pre-paid monthly data packages section. The cut-rate package that **Zong** offered is of Rs.50 and has the data limit of 150 MB. The most expensive data package by **Zong** is of Rs.650 and has a data cap of 4096 MB (or 4 GB).

Zong has the lowest data package in terms of price while Telenor has the highest data package in terms of data. Per Rs cost of Telenor's data package is 8 MB without any data speed cap on the packages.

Telenor lowest-cost package is of Rs.200 with 300 MB data limit and the most expensive package that **Telenor** offers is of 8000 MB (or 8 GB) at the cost of Rs.1000. There are two other packages of 600 MB and 4000 MB which can be purchased at Rs.350 and Rs.600 respectively. While, three operators are providing data speeds without any limitation, **Ufone** has deployed a different strategy to bundle up data with data speed caps.

The most economic among **Ufone** data packages is the monthly data package of 1 GB which costs Rs.200 (speed up to 256 Kbps) and the most expensive data package offered is the monthly 3 GB which cost Rs.1200 (speed up to 3 Mbps).



There are other monthly data bundle packages from the operators as well and therefore it is highly recommended that consumers should visit the specific web operator's site for details on the monthly data tariff.

4. Conclusion

The four mobile operators who got the 3G and 4G spectrum licenses have commercially launched their 3G services and data packages. There are many packages for the customers to choose from and it depends upon the users which package is suitable for them. The difference between 2G and 3G/4G from users prospective is the data transfer speed that is quite slow (although the tariff are low as well) on the 2G network which could only be used for very light usage such as occasional e-mail download etc. While on 3G/4G networks, since the data speed is much higher people can use it for e-mail downloads, faster streaming, video calls, social media, and other data heavy application that makes the 3G/4G services very useful and convenient.

From a mobile operators perspective, since Pakistan is a low ARPU (Average Revenue per User) market of around Pak Rs. 220 (year 2013), the ARPU levels could be increased through data services. The use of data could possibly increase the ARPU by 3-4 times as generally data only ARPU is 4-6 times than that of the voice ARPU and therefore a lot of emphasis is made on getting additional data customers or converting voice customers to data customers. After the launch of 3G/4G services in Pakistan it is expected that the average ARPU will increase as the users will be getting more value from enhanced data services. Operators are currently using aggressive marketing techniques for their data packages with the expectations of attracting maximum number of customers. Every operator have different strategies to capture the market, some operators have leaned towards data speed caps while others have provided unlimited speed (depends upon the spectrum they hold) and some bundling it with social media services such as Facebook, twitter etc. Overall the prices of the data packages offered by the operators are quite affordable as compared to other operators around the world. Phoneworld shall conduct another tariff benchmarking review by end of the year to provided readers with latest situation on tariffs.