

Mobile Industry Reputation Index

Oct–Dec 2010



Managed by the GSM Association



Mobile Industry
Reputation Index

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Foreword

by Tom Phillips, Chief Government
& Regulatory Affairs Officer, GSMA

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Welcome to the first edition of the GSMA's Mobile Reputation Index Report.

The Mobile Reputation Index is a programme of research into the perceptions of the mobile industry held by government stakeholders around the world. Launched in October 2010, it is intended to be a long-running programme which will give us a tool to track changing perceptions over time.

Key performance indicators used in the Reputation Index include: the mobile industry's contribution to society; the quality, reliability and innovation of mobile products and services; levels of transparency; responsibility with regards to consumer protection, and engagement with policy makers.

This report summarises the key findings from the first three months of the study.

Even at this early stage, we have seen certain opinions emerge consistently from government stakeholders from very different regions of the world. At a 'big picture' level, for example, the contribution of the mobile industry to social and economic welfare is broadly recognised by policy-makers everywhere, and is believed to be increasing. The industry is also generally well respected for its technological innovation and creativity.

At a more granular level, however, particularly in relation to highly topical issues such as transparency of roaming prices, policy makers consistently make clear their belief that the operator community must do much better. In contrast, some other questions, such as the industry's responsibility towards mobile health concerns and privacy issues, had a much more polarising effect, with stakeholder perceptions divided along either organisational or geographical lines.

I hope that the summarised findings in the next few pages will prove as useful to you as they have been for us at the GSMA. I would also like to thank all of those who have taken the time to contribute to the research in this initial phase. I encourage all government stakeholders to engage with the Mobile Reputation Index moving forward, so that the ongoing research continues to effectively record and explore worldwide opinion.

A handwritten signature in black ink that reads "Tom Phillips".

Tom Phillips,
Chief Government &
Regulatory Affairs Officer,
GSMA

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Methodology

In the three-month period from October-December 2010, a total of 231 government stakeholders completed the Reputation Index survey, which consists of a set of 30 questions.

Outreach to these stakeholders was conducted through face-to-contact at events and meetings, telephone surveys and email campaigns driving respondents to an online version of the survey questionnaire.

The three-month total respondents by region and organisation type are shown in Figure 1.



Fig.1

October – December 2010
Respondents by region and organisation type

Northern America		Europe		Asia	
Responses	3	Responses	43	Responses	34
National Government	33%	National Government	16%	National Government	24%
National Regulator	67%	National Regulator	44%	National Regulator	72%
		European Commission	31%		
Latin America		Africa		Oceania	
Responses	81	Responses	67	Responses	3
National Government	30%	National Government	21%	National Government	33%
National Regulator	67%	National Regulator	75%	National Regulator	67%

Regional breakdowns defined in line with United Nations classification of macro geographical regions.

Key Findings

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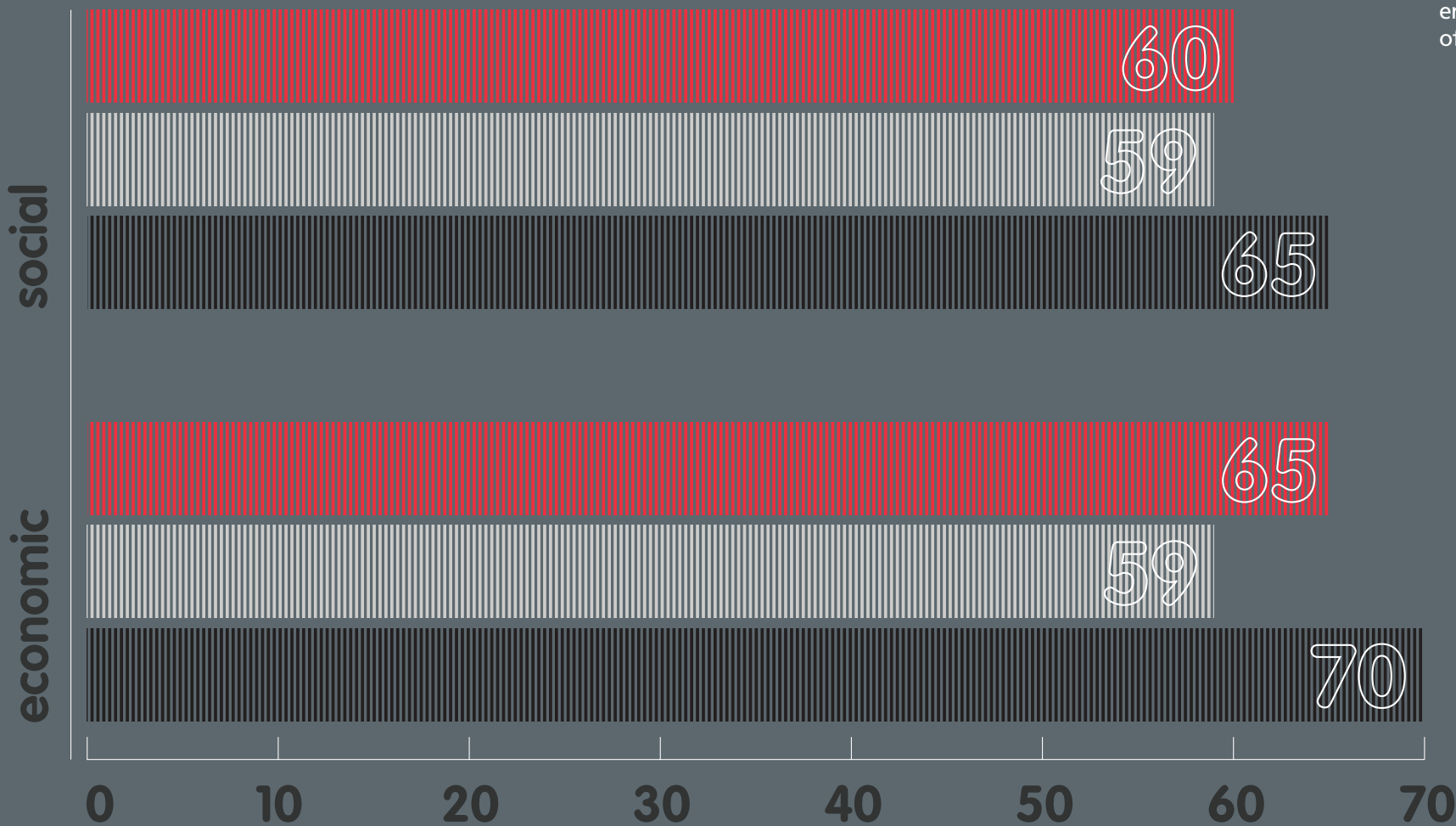
Mobile Industry Contribution to Society

Mobile telecommunications has a positive economic impact, driving job creation, innovation, productivity and competitiveness. Studies have shown that a 10% increase in mobile penetration leads to a 1.2% increase in GDP, and a 10% increase in broadband penetration leads to a 1.3% increase in GDP. Mobile also has a critical role to play in improving health, education and social mobility. It can play a major role in bringing rural communities online. The emerging mobile broadband infrastructure, combined with appropriate information technology solutions, could also play a major role in combating climate change, enabling cuts of at least 15% of total CO2 emissions by 2020.

Respondents to the Reputation Index were asked their opinion of how greatly the mobile industry contributes to the advancement of society in terms of its policies and actions in the three areas outlined broadly above: social; economic, and environmental.

The responses indicated that the contribution of mobile in terms of social and economic impact is consistently well-recognised in all regions, particularly by the regulator community (see Figure 2).

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Fig.2

How much does the mobile industry contribute to the advancement of society in terms of its policies and actions?

Percentage responding 'Very significantly'

- All respondents
- Governments
- Regulators

When asked to consider the specific factors of job creation, tax revenues, broadband penetration and innovation, regulators consistently ranked the industry more highly than governments did.

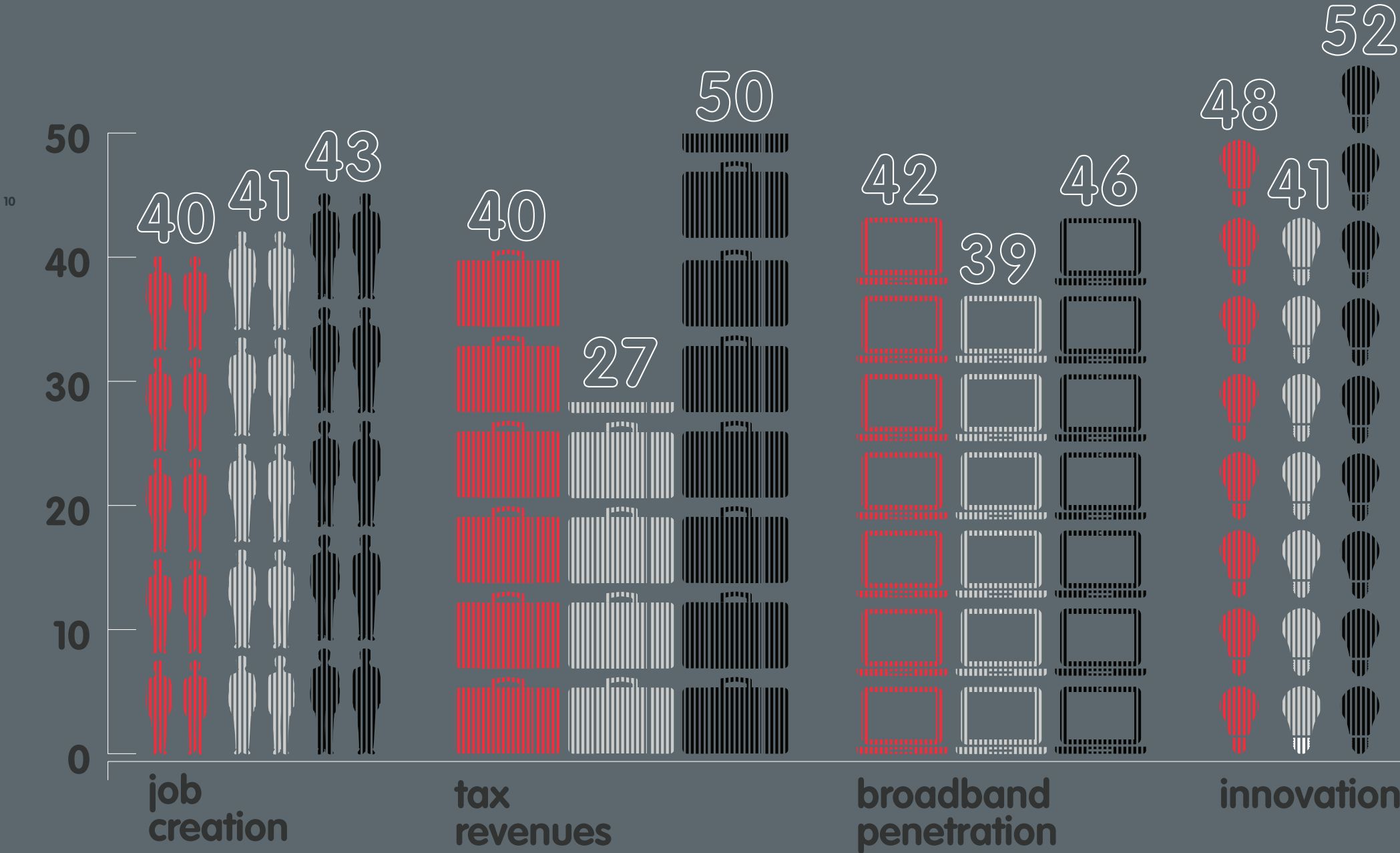
This was particularly noticeable in the case of tax revenues, where only 27% of government respondents said they believed the mobile industry contribution was very significant, compared with 50% of regulator respondents (see Figure 3).

Fig.3

How significant do you perceive the mobile industry's role to be?

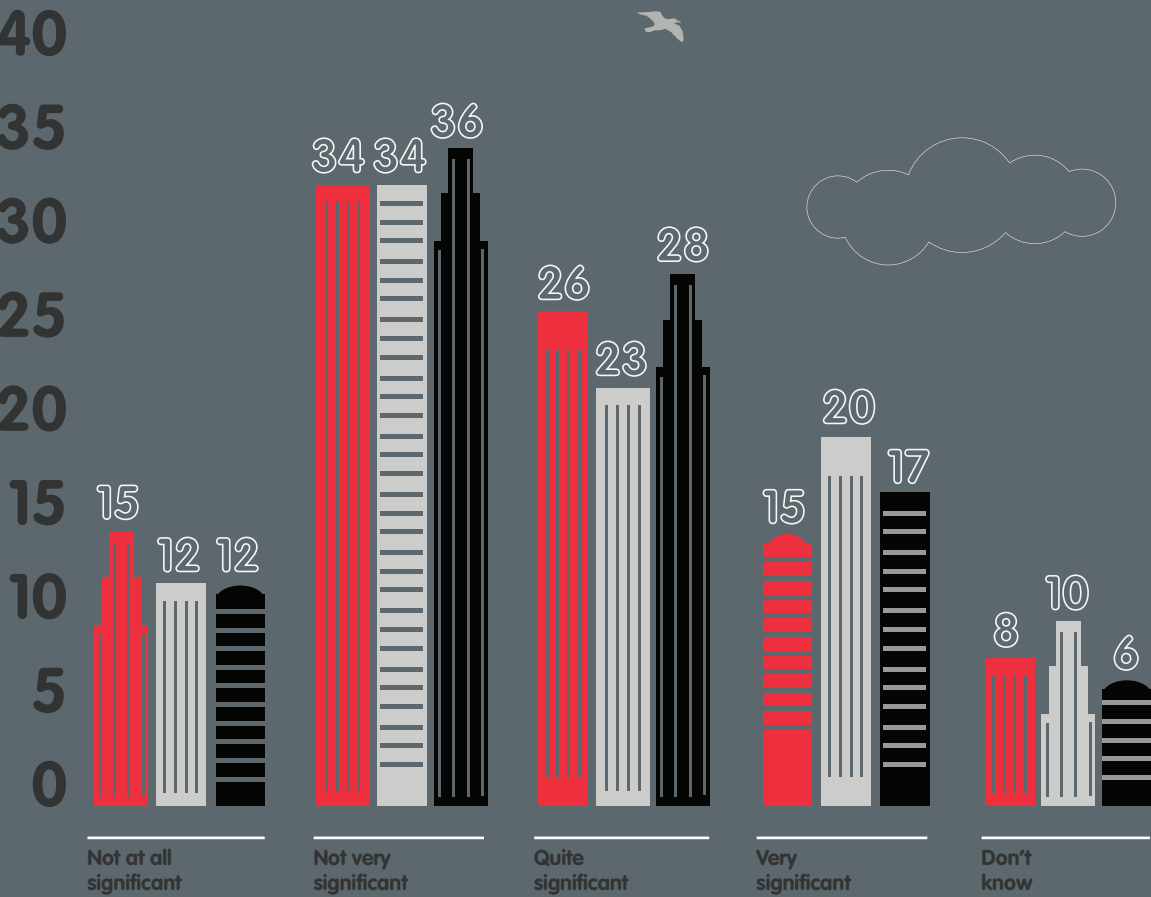
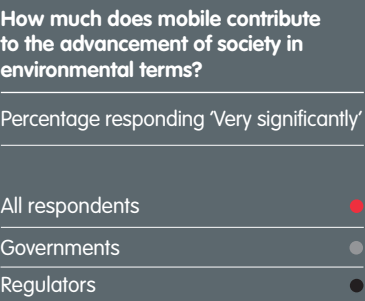
Percentage responding 'Very significant'

- All respondents
- Governments
- Regulators



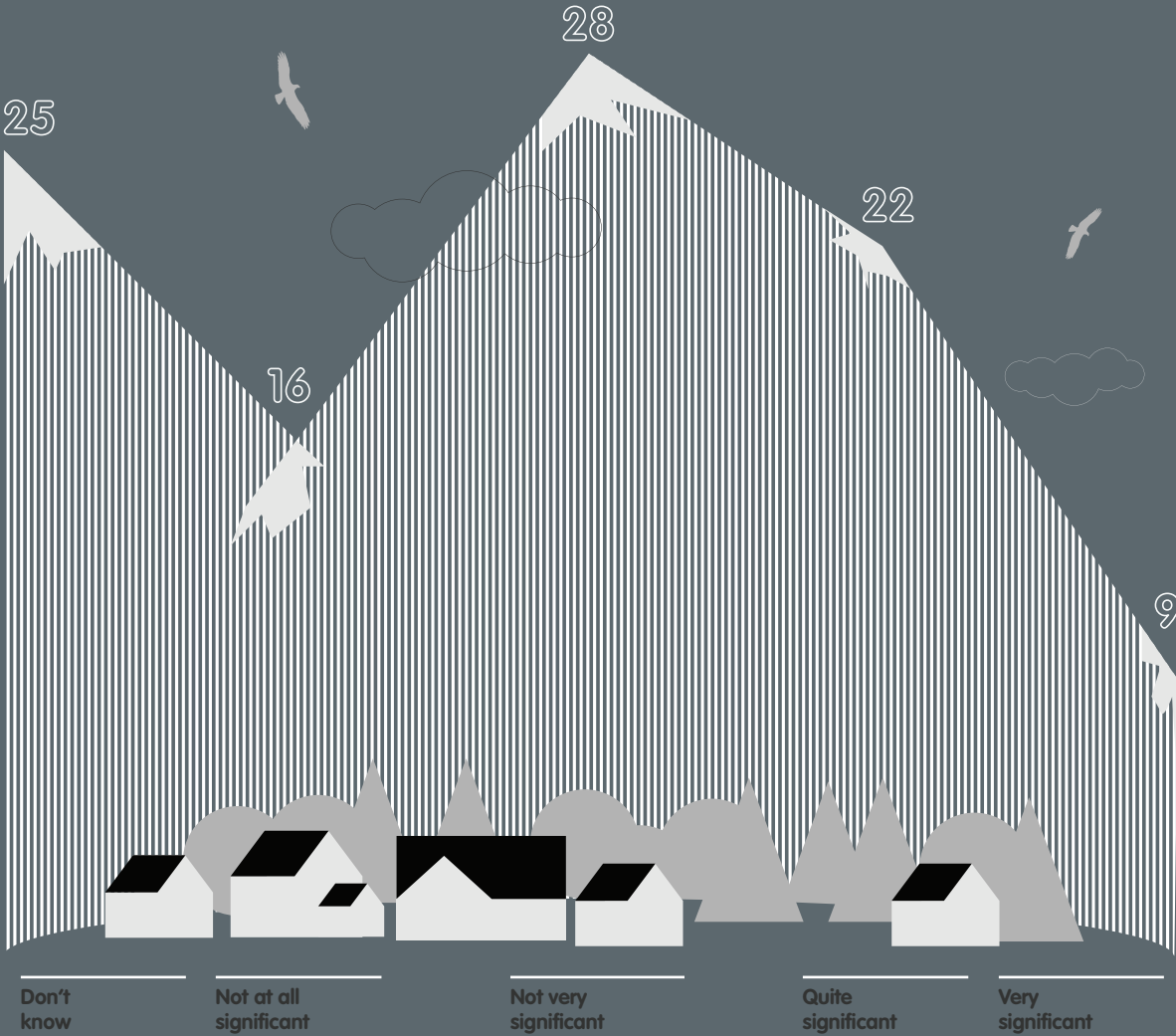
The environmental contribution of the mobile industry, and its potential impact in combating climate change, are clearly not yet recognised by government stakeholders.

48% of all respondents did not believe that mobile makes any contribution to society in environmental terms, and 25% of respondents did not know how the mobile industry can contribute to the development of a low carbon economy (see Figure 4).



While greater communication about mobile's green potential is clearly required, nevertheless the overall perceptions of mobile's contribution to the advancement of society were very positive.

68% of all respondents said that they believe the overall contribution of the mobile industry has increased compared with one year ago. A further 24% thought it has stayed the same and only 3% thought it has decreased.



Key Findings

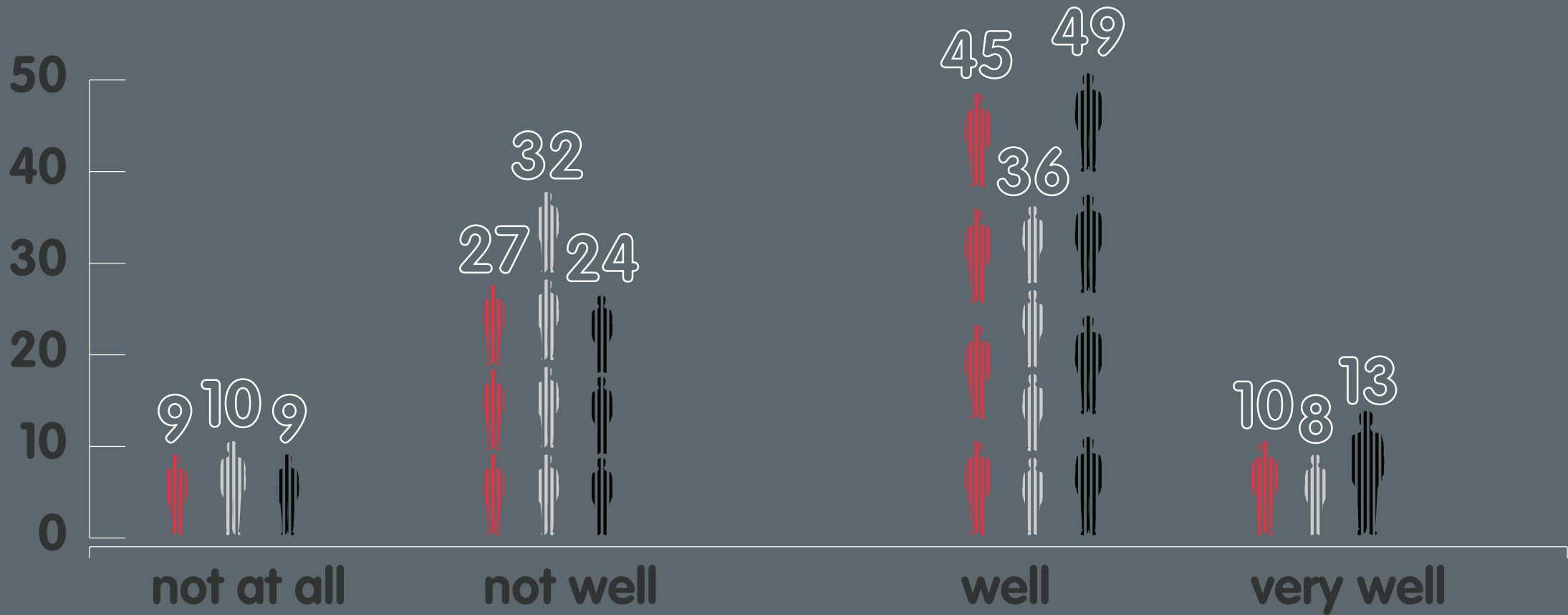
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Protection of consumers

Fig.5

How well do you think mobile operators protect their customers' personal data and privacy?

- All respondents
- Governments
- Regulators



The increasing ability of mobile networks and mobile handsets to deliver rich multimedia services is generating a wide array of social and economic benefits for individuals, communities and businesses, but alongside these advanced technologies, new risks have emerged which have the potential to cause harm to consumers. Particular areas of concern include security of networks and the privacy of consumers' personal data.

Some consumers also remain concerned about the possible health impacts of mobile phone usage, despite the scientific consensus of lack of evidence of health risks from exposures to low level radio signals.

The Mobile Reputation Index asked government stakeholders their opinions of how well the mobile industry is addressing the challenges of protecting its customers against each of these threats.

On the issue of customers' personal data and privacy, the majority of respondents seemed satisfied with the way in which mobile operators protect their customers. Regulators expressed fewer concerns in this regard than government respondents (see Figure 5).

Regarding security on mobile networks, there was more consistency of viewpoint, with over 70% of all respondents worldwide believing that the mobile industry takes the issue seriously or very seriously.

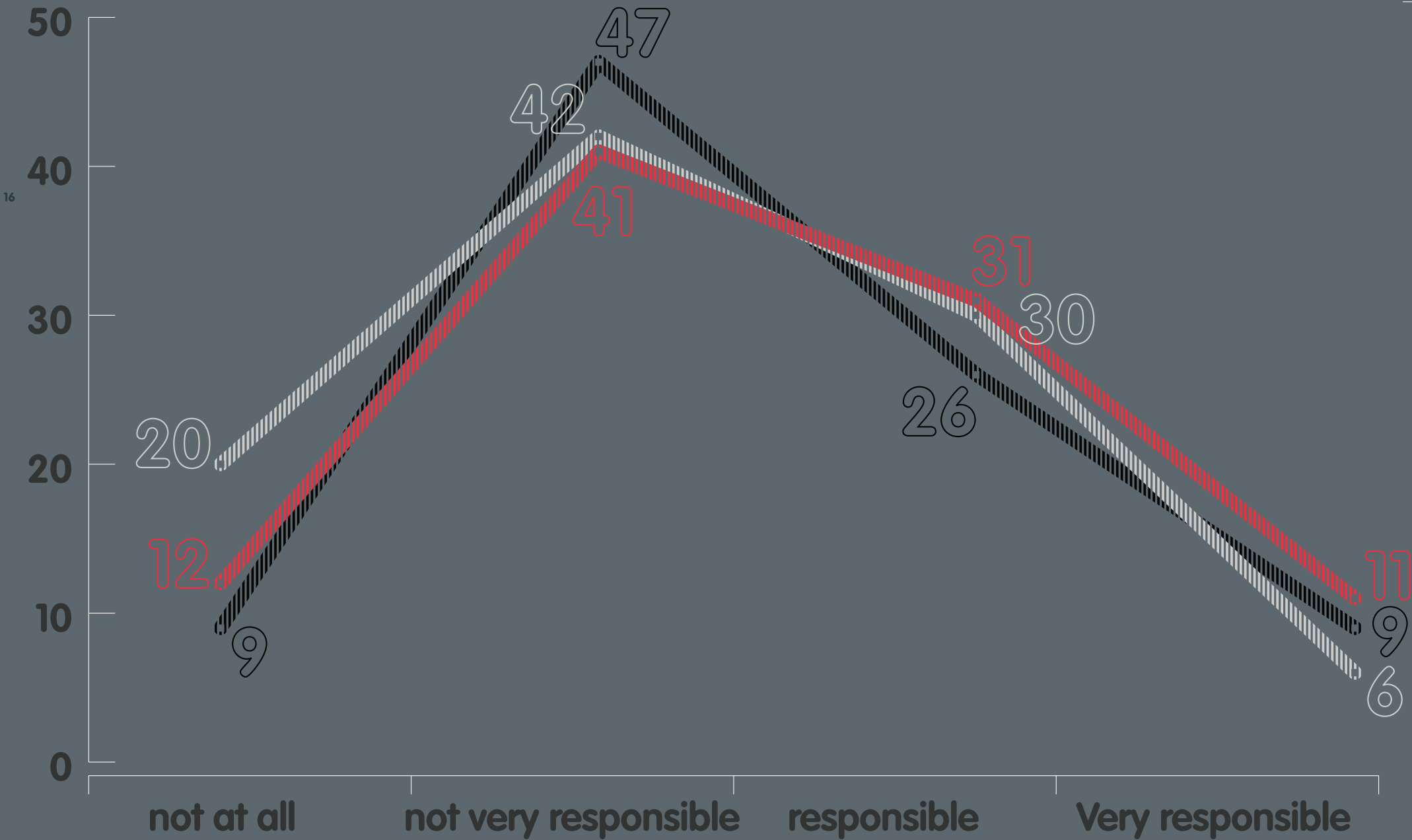
On the issue of potential risk to consumer health from mobile telecommunications, there was a much wider spread of responses, and a much higher level of concern expressed.

Overall, 53% of respondents said they considered the mobile industry to be not at all or not very responsible in terms of its response to public concerns about health risks from exposure to radio frequencies. This view was particularly prevalent in Latin America and Asia (see Figure 6).

Fig.6

How responsible do you consider the mobile industry to be in its response to public concerns about health risks from exposure to radio frequencies?

- All respondents
- Latin America
- Asia



Key Findings

3 Transparency

Mobile operators around the world are actively taking steps to ensure that their service plans and tariffs are as clear and transparent as possible.

The Mobile Reputation Index survey found that these actions are having an impact; 23% of all government stakeholders questioned said they believe that the mobile industry is more transparent than one year ago (see Figure 7).

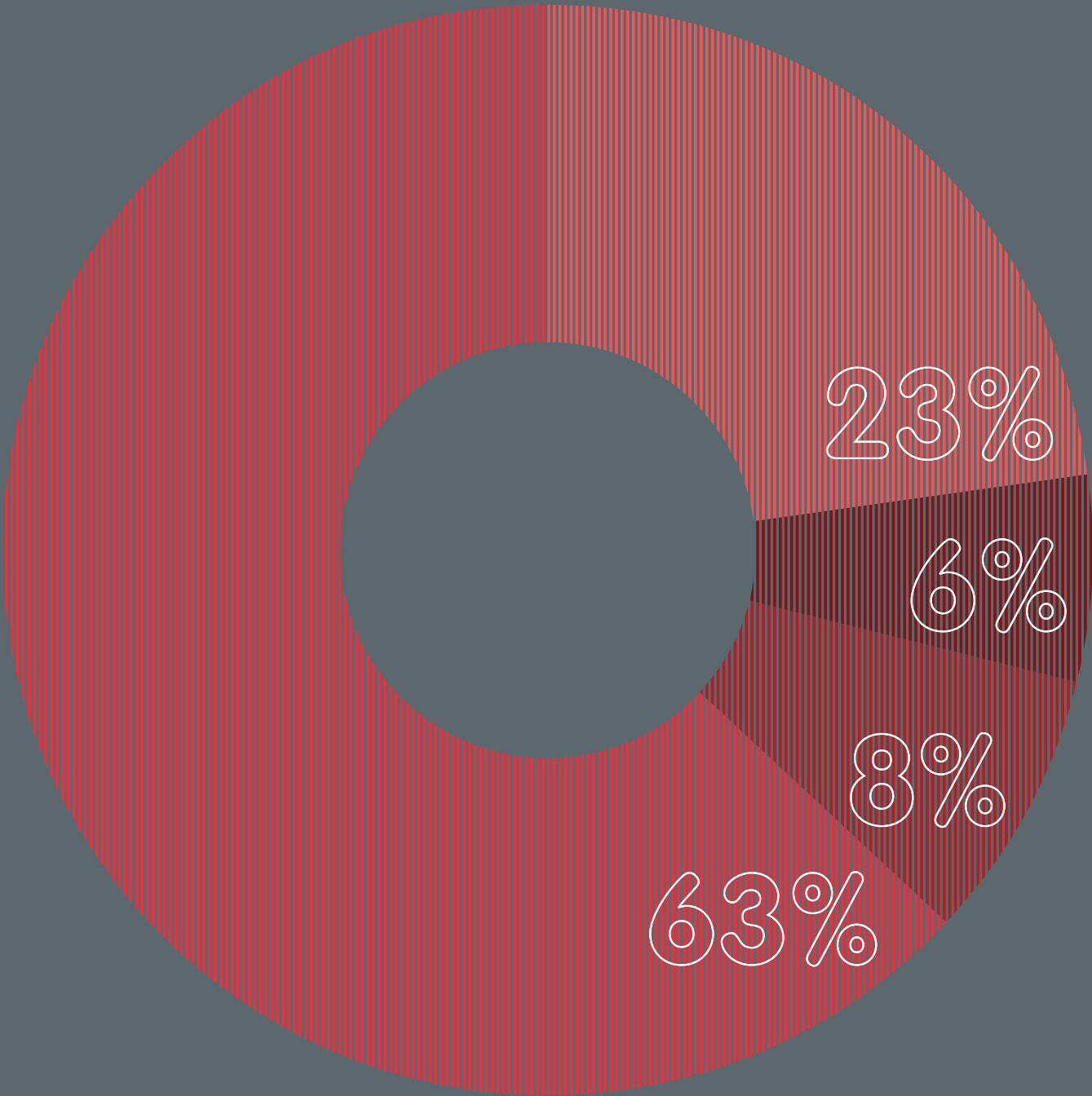


Fig.7

Do you think the mobile industry is more or less transparent than one year ago?

More transparent	23%	Less transparent	8%
Stayed the same	63%	Don't know	6%

It is clear from the survey findings that significant further improvement in operator transparency is still expected by government stakeholders.

The survey questionnaire addressed four specific areas of transparency: terms and conditions; network management practices; domestic tariffs and prices, and roaming prices.

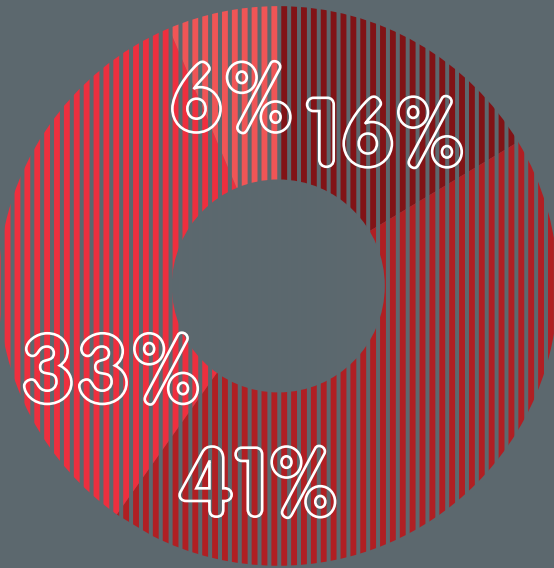
Of these – unsurprisingly given current political concerns – roaming prices proved the most contentious; 74% of all respondents said they believe the mobile industry is not at all or not transparent in relation to roaming tariffs. This percentage dropped to 65% in relation to domestic tariffs. Transparency in relation to terms and conditions and network management practices was regarded as slightly more positive, but a significant proportion of respondents clearly signalled their belief that improvements are needed in these areas too (see Figure 8).

Fig.8

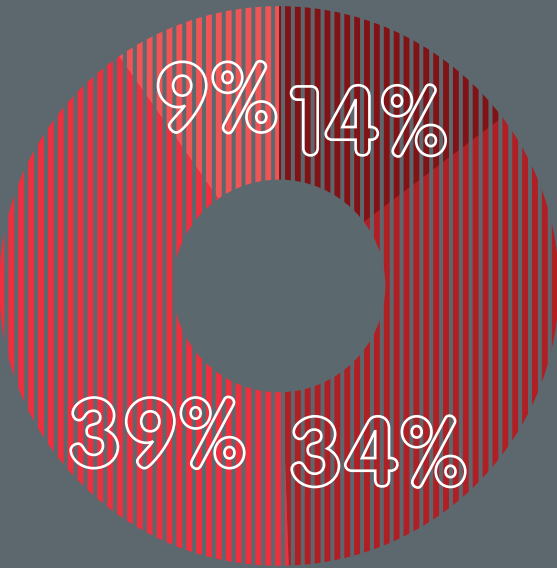
To what degree do you consider the mobile industry is transparent?



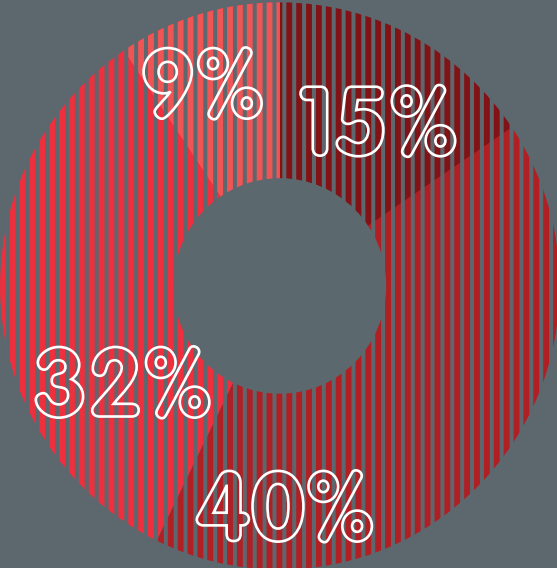
Terms and conditions



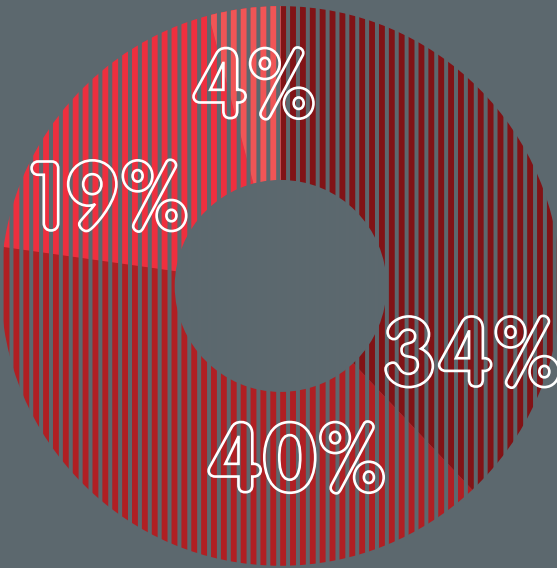
Network management



Domestic tariffs and prices



Roaming prices



Key Findings

4 Mobile Industry Reputation

Fig.9

Compared with one year ago, how has your opinion of the mobile industry changed?

All respondents	●
Governments	●
Regulators	●
European Institutions	●

The overall opinion of the mobile industry held by the vast majority of the respondents to the Mobile Reputation Index survey has either stayed the same or improved compared with one year ago (see Figure 9).

This opinion is based on the combination of a number of factors: the overall reputation of the industry; good feeling towards the industry; trust in the industry, and admiration/ respect for the industry.

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The way in which the industry interacts with policy-makers is clearly a contributing factor to its overall reputation.

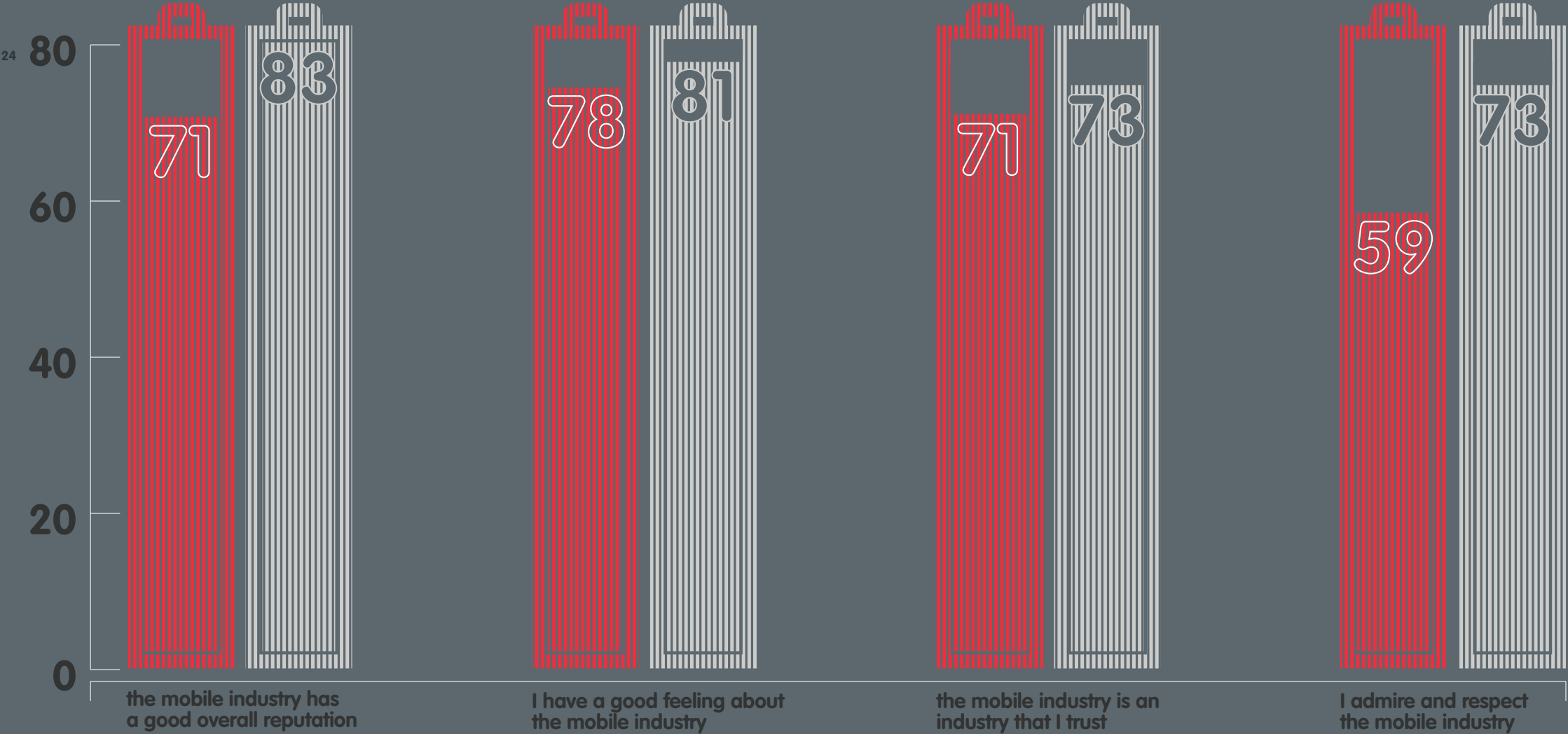
The survey found that regulators were more comfortable than other government stakeholders with the way in which the mobile industry engages with them, based on the frequency and effectiveness of dialogue.

67% of regulators said that the industry's overall approach to dialogue was satisfactory or very satisfactory, compared with 54% of other government respondents.

Fig.10

To what extent would you agree with the following statements?

Governments	●
Regulators	●



Conclusion

While providing some valuable insights into the way in which the mobile industry is perceived by government stakeholders, this first Mobile Reputation Index report is primarily a snapshot in time of the opinions of this audience group in the final quarter of 2010. The GSMA believes this data will be of particular value moving forwards, when it will serve as a benchmark against which future responses can be measured.

By accurately tracking trends in opinion over time – as well as across regional and organisational boundaries – the mobile industry will benefit from a holistic view of its activities and behaviour as seen from a government perspective.

Government stakeholders who would like to participate in the research programme are invited to complete the online survey at www.mobilereputationindex.com

Respondents are also entitled to a free copy of the most recent Wireless Intelligence Quarterly World Review Report.



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