

Mobile Opportunities:

Poverty and Telephony Access in
Latin America
and the Caribbean



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Mobile Opportunities Survey

RESEARCH QUESTIONS

- Mobile users vs. owners
- Patterns of Use
- Key Access Strategies
- Value of Use
- Reasons for not being a user

POLICY SUGGESTIONS INSPIRED BY SURVEY RESULTS

ACCESS GAP

Mobiles: Basic Means of ICT access for the Poor

- Universal Access Programs need to pay attention to mobiles as a platform
- Emergent Market: BOP

POLICY SUGGESTIONS INSPIRED ON SURVEY RESULTS

MARKETS GAPS

Mobiles: Basic Means of ICT access for the Poor

- Tariffs: most significant barrier.
- Prepaid: Significantly higher than post-paid (exception: Chile)
- Liberalize participation: Spectrum Allocation one of the most significant variable affecting entry & competition
- Mobile applications: lack of supply

METHODOLOGY



7 LAC countries

total of **7168** surveys

low income urban inhabitants

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KEY RESULTS

most people in LAC are
USERS and **OWNERS**



(%)

MEXICO

37

80

BRAZIL

53

42

PERU

60

37

ARGENTINA

70

61

T&T

86

83

COLOMBIA

89

63

JAMAICA

94

90

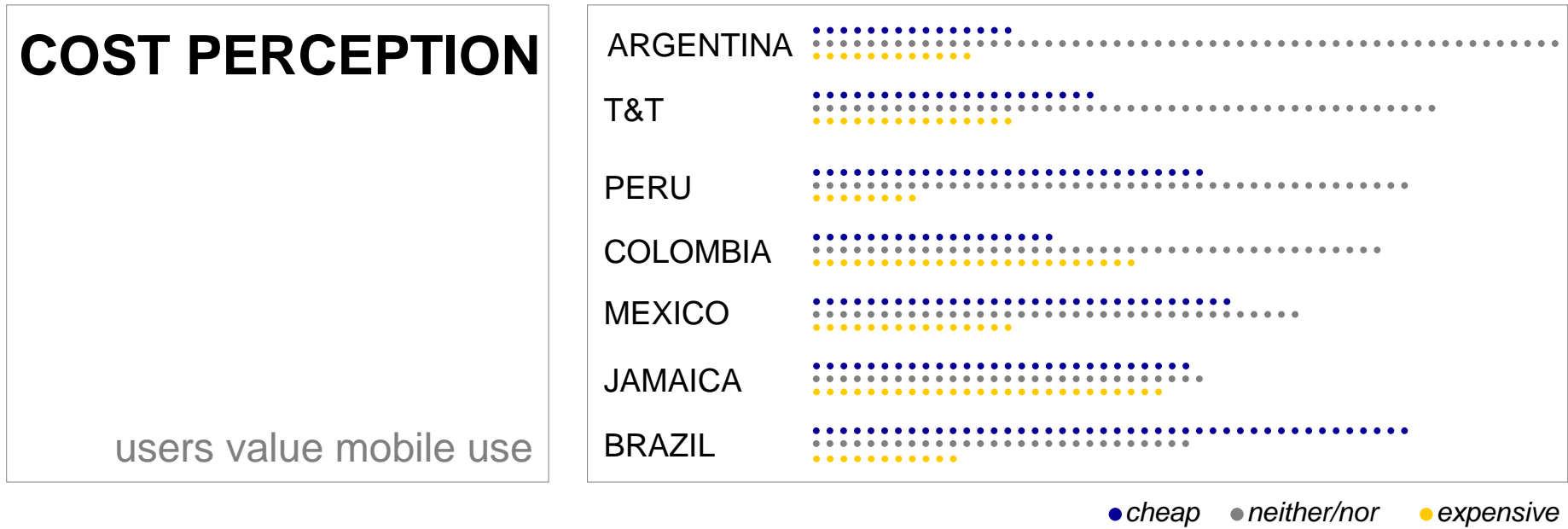
LAC is prepaid

Argentina	Brazil	Colombia	Mexico	Peru	Jamaica	T&T
74	96	90	92	96	98%	96

REASON control mobile spending

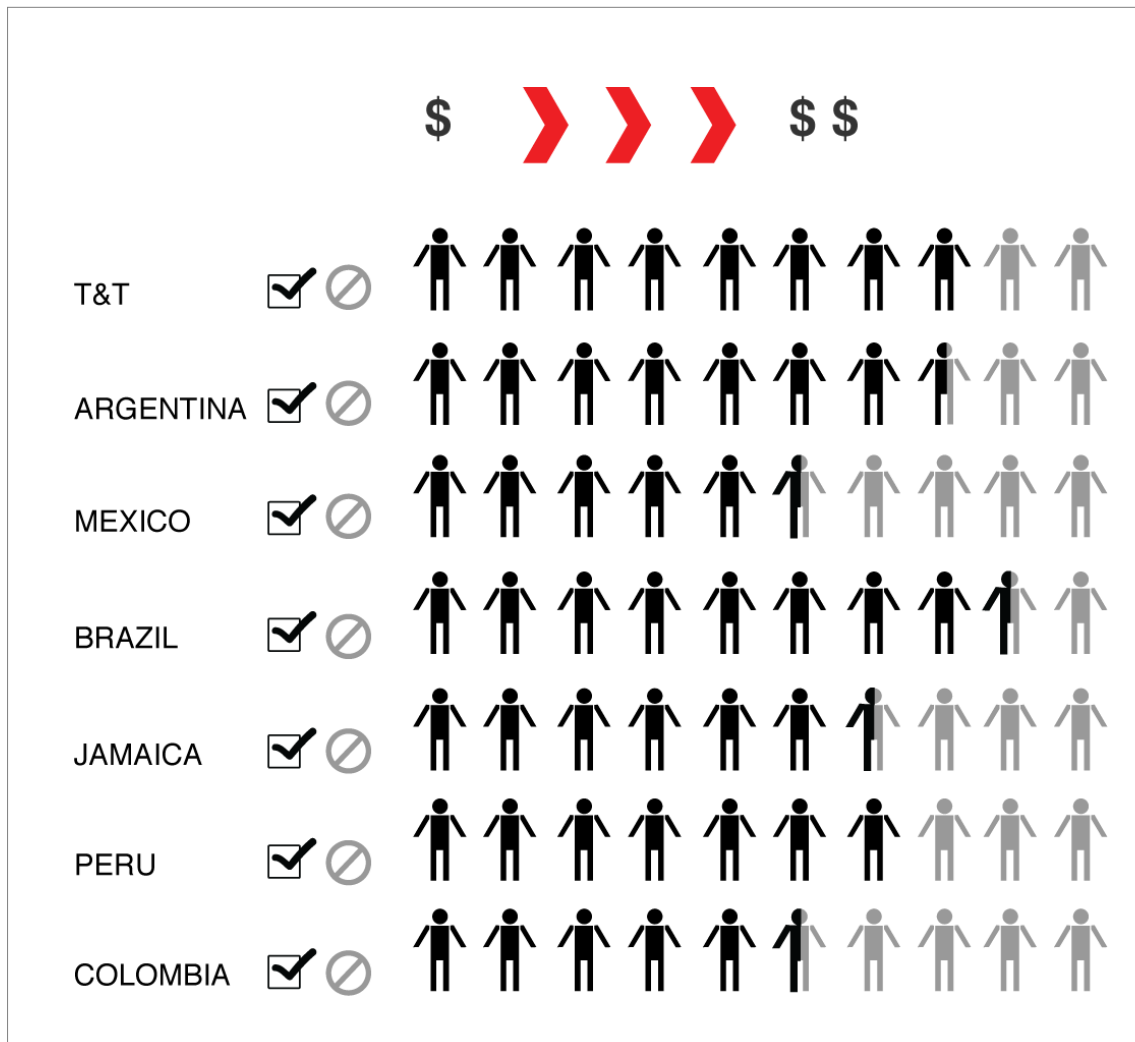


Most users think mobile services are **neither cheap nor expensive**



Mobile services at the BOP
appears to be
inelastic to tariff variations

DEMAND ELASTICITY



COST REDUCTION STRATEGIES



Most common cost-control strategies:

SMS, "beeping" or simply not making outgoing calls for a period of time



Service affordability remains a key barrier for increased adoption of basic as well as value-added services.



Most users in LA make **less than one call a day**, while outgoing call levels are **higher in Caribbean countries** because of **more affordable tariffs**.

TYPICAL BASKET USAGE

Total outgoing calls per week



● average ● median



Most mobile calls are made to **friends and family**, followed by **business-related calls**

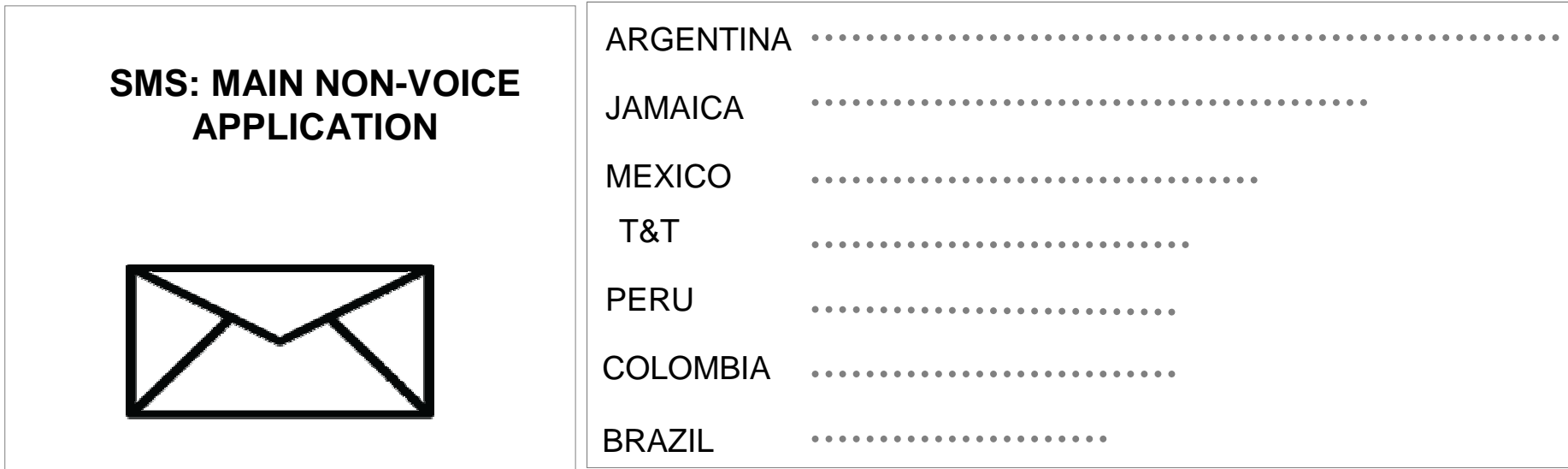
KEEPING IN TOUCH IS KEY



Destination of outgoing calls



SMS is the only service beyond voice that is **gaining rapid adoption** across the region



● SMS use among mobile phone users (%)

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CONCLUSION & RECOMMENDATIONS

Mobile Telephony is not a luxury good

Economic impact is mediated by social capital variable such as strengthening of trust networks

Improved coordination of informal job markets.

Poor attribute a significant improvement in quality of life to mobile access: consistent with high expenditure level & low elasticity of demand.

Tariffs are the main barrier to access

**Lower tariffs do not have to penalize operators
results show a wide margin for win-win initiatives thru
increased traffic & value-added services to BoP.**

**M-banking and M-government are still
underdeveloped in LAC.**

**As users inch up the technological learning curve and
equipment prices continue to fall, Mobil Opportunities
will only increase.**

Emergent Markets:

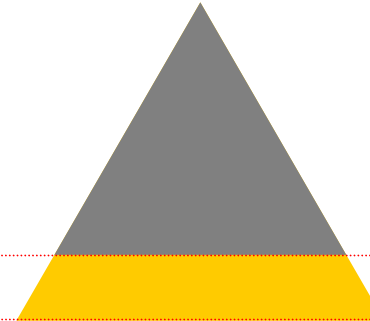
BOP

Emergent Technologies:

M-commerce
M-banking
M-government

Emergent Consumers:

A greater proportion of women use Mobile Phone
Informal workers and Micro entrepreneurs: business opportunities



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