

Preface

Many books and articles on mobile telecommunications start by offering alternative hypotheses which are subsequently tested against a variety of data. However, the data that are used are often poor in quality and/or out of date. Surprisingly, perhaps, it is very unusual for the data to be questioned, although it must be acknowledged that readers generally have neither the time nor expertise to check the data for themselves.

In this respect, this book is somewhat radical because it starts with extensive databases and does little theorising. The main justification for this is very straightforward. The book covers the decade from 1998 to 2008, and the term 'volatile' barely does justice to that period from the viewpoint of the mobile telecommunications industry. Only recently can it truly be said that companies have been able to develop strategies that look beyond short-term survival. Hence, the approach taken here is initially to look back at what was done and to attempt to make sense of how companies behaved in respect of their overseas investments as a pragmatic response to the business environment and, secondly, to analyse how the now much more settled environment has triggered new developments in the industry which again are much more to do with pragmatic responses than with theoretical ideals.

This approach is fundamentally dependent upon obtaining relevant data for analysis, and it is extremely important that the databases are as accurate as possible. To this end, one of the authors has spent the past decade building up the databases that are used in this book. They are not bought in and they are not copied from unchecked sources. They are wholly original and unique in their presentation.

This does not mean, however, that they are necessarily error-free since such a concept is almost meaningless when it comes to data on mobile communications. In the first place, it must be borne in mind that in order to compile an up-to-date information base it is essential to use the Internet – official publications often seriously lag real-time events. But the Internet is both blessing and curse. Literally anything can be published by anyone, and accuracy is not its strong point. Hence, everything must be checked and rechecked. This is an intensely time-consuming process and can never be guaranteed to be error-free since sometimes choices must ultimately be made between conflicting data.

A good illustration of this comes in respect of subscriber numbers for mobile operators on which this book is based. Some individual country regulators, trade associations and operators are scrupulous about the publication of accurate and timely data, but others are not. Furthermore, a great deal depends upon reporting methodologies. Thus, for example, some operators lump together several operations while others only list directly-held subsidiaries. Others list only operations that they control, while yet others claim the entire subscription base of networks of which they are only part-owners because they have consolidated them in their accounts.

And all of this assumes that there is such a thing as an agreed definition of what is meant by a 'subscriber', which unhappily is not the case in practice since it is possible, for example, to be flexible about how long a subscriber has been inactive before that person is deleted from the subscriber base. Equally, subscriber numbers and SIM cards in circulation are rather different animals. Penetration levels for mobile are increasingly cited well in excess of 100 per cent of the population, either due to multiple ownership of handsets or because multiple SIM cards are being used in conjunction with a single handset. And, occasionally, operators may be tempted to overstate their subscriber numbers for a variety of reasons or they may include subscribers belonging to MVNOs using their networks.

It is not our purpose to over-egg the pudding, merely to reinforce the point that while the authors cannot guarantee total accuracy, they do guarantee that there is no other source in the public domain that provides as much accurate and timely data relating to the international operations of mobile operators.

It may be noted that the above discussion has concentrated upon subscriber data and there is a very good reason for this, namely that they are the only reliable data that can be collected on a worldwide basis. There have been occasional attempts to analyse the international activities of mobile operators using concepts such as 'share of revenues from overseas activities', but it is notable that such attempts have been limited to the likes of the European Union when it had 15 member states – in other words, to the only countries where the data are more or less available though by no means wholly reliable. This book sets out to be worldwide in its scope and must therefore, of necessity, restrict itself to whatever can be compared reliably on that basis.

In essence this means data on subscribers. It is accepted that there is no absolute relationship between subscriber numbers and revenue streams let alone profitability because, for example, average revenue per subscriber (ARPU) varies from network to network. Nevertheless, telephony is a subscriber-driven business, and it is generally easier to expand the share of revenue flowing from overseas by acquiring more subscribers than to

attempt to do so by extracting a larger revenue from each subscriber. It may be argued that this is beginning to change because high-speed data networks have finally begun to make a noticeable difference to ARPU, but this effect has not been particularly visible over most of the past decade.

In summary, this book accepts the limitations imposed by the need to make valid comparisons between 30 international operators. Hopefully the situation will steadily improve and additional valid indicators will become available, but for now this book should provide a solid underpinning for future research.

