

Survey Results

The following survey was conducted by the Malaysian Mobile Content Providers (MMCP), on 29th March 2007, during a meeting with a number of Content Providers (CP) at the MCMC Auditorium in Cyberjaya, to ascertain the general understanding and garner feedback on the recent proposal by MCMC with regards to the “preventive system” and the issues affecting the mobile content industry from the CPs perspective.

A total of 34 questionnaires were filled up and returned by representatives from 31 CPs that attended the meeting. The survey questions were derived using the simple quantitative analysis approach, as the goal was to gain a “snapshot” view on the current environment of the industry. No particular segmentation of the respondents was carried out, nor was there any discussion of each question in general undertaken during the meeting.

Table 1.1, in the next page, illustrates the results from Section A of the questionnaire that was designed to retrieve basic information about the organizations business model dependency on subscriptions, complaints statistic and perception of the current state of the industry. The result for Question 3 was averaged out based on all the responses received, as this query required a numerical input from the respondent.

Question	A	B	C	D	E
1. How much of your business is related to Subscriptions?	< 10%	10-40%	50-70%	> 80%	-
	5	3	10	16	
2. What percentage of complaints received by your Customer Service on average relates to Subscriptions?	< 10%	10-40%	50-70%	> 80%	-
	21	8	3	2	
3. From that percentage, could the numbers be broken down, in percentage, by:	Recycled Number	Suspected Spoofing	Spamming	STOP not working	Queries
	25%	-	5%	-	65%
4. On average, how long does it take you to respond to queries from Customers/Telco/MCMC on services, where the transaction was within the last 3 months?	1 day	1-3 days	4-7 days	7 days	-
	22	10	1	1	
5. Generally, what is your perception of the current status of the mobile content industry?	Healthy	Over-regulated	Under-regulated	Tough – but can grow	Tough – can't grow
	2	10	4	16	2

Table 1.1: Section A numerical results

From the results above, about 76% of the CPs polled has more than 50% of their business model dependent on Subscription-based services, of which 61% of these folks having a higher dependency i.e. in excess of 80%. Majority of the complaints processed by the CPs own Customer Service does not appear to be Subscription service related, with 61% claiming it represents less than 10% of the total complaints received. In addition, 65% of these complaints turns out to be “queries” as opposed to concerns with regards to the services per se. 92% of the CPs on average, take between 1-3 days to process queries from Customers/Telco/MCMC on their services, with 64% claiming to revert within 1 day. 47% of the CPs perceives the environment in which the mobile content industry is at currently, can be described as tough but has growth potential, with 30% consider it over-regulated. Only 2 or 6% of the respondents felt the industry is operating at a healthy state.

In Section B of the questionnaire, respondents were initially asked on their perception of the major issues affecting the industry as a whole, by using a grading system where “1” denoted most significant and 5 least significant issue. Results for question 1 are as illustrated in Table 1.2.

Question 1 of Section B read “What is the most significant issue affecting the industry? Grade the options in terms of importance (1 – 5, where 1 is most significant and 5 least significant)”

Grade	1	2	3	4	5
Damaged User Perception	10	9	8	3	3
“Cowboy” CPs	21	9	3	1	0
Lack of Enforcement	4	6	9	5	9
Poor Network Infra.	1	5	6	13	9
High Opex	10	9	7	7	0

Table 1.2: Section B, Question 1 numerical results

Based on the data in Table 1.2, “Cowboy antics by rogue CPs” had 88% of the CPs identifying as the 1st and 2nd most important issue affecting the industry. Of this, 61% singled it out as the most important concern. This is followed by “User perception damaged by misleading press releases” and “High Operating cost”, both polling in 30% of the votes. Important to note, that most polled felt the “Poor Network Infrastructure” and “Lack of enforcement by regulators” is not a major concern.

Also as part of Section B, the CPs perception on how those found violating the provisions/rules as listed out in the Provision of Mobile Content and Services Guidelines that were issued on 9th June 2006 were to be handled, was also sought. Results of which, is as highlighted in the next page in Table 1.3

Question	A	B	C	D	E	F
2. How should CPs found to be in breach of MCMC Guidelines be handled?	Suspension of relevant shortcode	A fine derived from a % of revenue	Refund all users of the service	<A>, & <C>	Stern Warning	-
	8	0	7	16	3	
3. How should CPs found to be repeatedly in breach of MCMC Guidelines be handled?	Suspension of relevant shortcode	Suspension of all shortcodes	A fine derived from a % of revenue	Refund all users of the service	<A>, <C> & <D>	, <C> & <D>
	4	3	3	2	9	13

Table 1.3: Section B numerical results

An overwhelming 71% of the CP's polled called for the suspension of relevant shortcode (s) for a defined period of any CP found to be in breach of MCMC Guidelines. In addition, 47% called for additional penalties in the form of a fine derived from a percentage of revenue and refunds to end users. For repeat offenders, 85% polled indicated the relevant shortcode (s) should be suspended for a defined period, with 65% of the CPs indicated additional penalties to be applied. In this case, 38% of the respondents called for the suspension of all the shortcodes under the offending CP.

The final section of the questionnaire was an attempt to better understand CPs concerns raised by the recent directive by MCMC on the automated system and what they felt should be the way forward. Results of this section are as illustrated in Table 1.4 in the next page.

Question	A	B	C	D
1. How should the industry be regulated	Automated Telco System	Self Regulation	Enforceable Law	Committee of Telco, CP & MCMC
	0	9	1	24
2. If implemented, how much revenue share are you willing to give up for an automated system?	None	< 5%	5%	10%
	27	6	1	0
3. If there is an adjustment to the revenue share, how would you handle this?	Absorb price	Pass to consumer	Stop subs model	Cease operations
	5	24	5	0
4. What is the best way, in your opinion to handle the current scenario?	Better Enforcement	Automated Telco System	<A> and diluted 	PR campaign
	16	0	11	7
5. What is the most important improvement needed, in your opinion, for the industry to grow?	Improvement in Telco Network	More PR campaign	Stable environment	Opex needs to be reviewed
	3	12	9	8

Table 1.4: Section C numerical results

Close to 71% of the CPs felt the best way for the industry to be regulated was through a committee made up of representatives from the Telco, CP and MCMC. None of the CPs felt an automated Telco system should be implemented. Based on this, almost 80% of the respondents also indicated they were not willing to give up a portion of the revenue share to pay for the automated system. If the revenue apportion is forced down on the CPs, 71% of the CPs indicate the cost will be passed on to the consumers. On how best to handle the current issues facing the industry, 47% felt better enforcement of existing guidelines should be utilized, while 32% called for better enforcement with a diluted version of the proposed automated system. 21% of the CPs felt a public awareness campaign is a better way to solve the problem. In terms of improvement, 35% of the CPs called for more PR campaigns to gain consumers trust. 26% felt a stable environment is needed, while 24% felt the operating cost needs to be reviewed. Only 3 CPs or 9% mentioned the need for improvement in the Telcos network.