

# Mobile phone distribution comparison: us and myanmar



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## INTRODUCTION

It is not only the lives of individuals had been changed since the introduction of mobile phones, but also the future of the telecommunication sector. From a person informs his or her friends about changing in plans or dealing an international business with client or even a victim ask for help when something bad happens. Mobile phones are really important in today's society. The boundaries of space, time and size had been narrowed down through the growth of the wireless communication sector.

In the Americas region, there is a continuous growth and more than 50 percent of penetration rates in the South and Central America in mobile sector. While there are about 30 percent penetration rates in Peru, Honduras, Costa Rica, Bolivia and Nicaragua. On the other side, Argentina and Chile had 80 and 76 percent of penetration rates respectively.

While in Asia-Pacific region, Myanmar and Kiribati had extremely low mobile phones penetration rate, which is 1 percent. In Taiwan, Singapore, Macao, Hong Kong and Australia, the penetration rate are 90 percent. There is average of 6. 3 million new mobile subscribers in India every month in 2006. Moreover, 43 percent of Asia- Pacific mobile market is belongs to China with a penetration rates of 35 percent.

The purpose of this paper is to find out why there is a big gap between the mobile network system of the United States and Myanmar. Myanmar was chosen because it has a very low mobile penetration level and Myanmar has only 9% out of 60 million people have mobile phones.

This research question will emphasis on the distribution and segmentation of the medium in both United States and Myanmar, ownership, national regulatory structures, socio-economic origins and functions of mobile phones in today's society.

## MAIN BODY

### DISTRIBUTION AND SEGMENTATION OF MOBILE NETWORK IN MYANMAR AND UNITES STATES

#### Distribution of mobile network in Myanmar

The telecommunications sector in Myanmar is under developed. Figure 2 shows that the mobile phone coverage serves just 10% of the population in Myanmar. There are more than 55, 000 villages in Myanmar are still without mobile service. The government targets to reach 75 to 80 percent of mobile penetration in 2016.

Figure 3 illustrates that only 0. 8 per 100 habitants have a mobile phone subscription in Myanmar.

#### Distribution of mobile network in United States

While in United States, the biggest mobile network provider – Verizon had covers over 95% of the population by 4G LTE. Figure 4 illustrates the coverage of 4G LTE of Verizon in United States.

There is a very big difference between the mobile network coverage of United States and Myanmar. Myanmar has a very low mobile phones penetration rates due to the poor mobile network coverage.

### Segmentation of mobile phones in Myanmar

Nandar said that “ two foreign firm Ooredoo and Telenor has tap in Myanmar has invested to improve their communication. While other country is enjoying the technology of cameras, trendiness and personalizing their own phone, Myanmar is still concern of their phone keyboard for Myanmar language.”

Maierbrugger stated that Myanmar is still the stage to expand their mobile services. Based on the latest statistic, stated that only 5. 4 million of Myanmar’s 60 million populations have cell phones. SIM cards used to be \$160, but are now slowly being reduced with the help of foreign mobile companies.

### Segmentation of mobile phones in United States

Based on comScore Networks research, their national panel survey concluded that there are three age-related segments. First is “ The Cellular Generation”. They are aged from 18 to 24; this generation was born with mobile phone awareness, growing up with mobile phones. Second age-related segment is called “ Transitioners”. They are mainly aged from 25 to 34 because this group falls into two particular segments which are those who grew up with mobile phone awareness and those who did not. Finally the third group is known as “ Adult Adopters”. This group is aged 35 or older and they are not aware of phone until adulthood. They showed the least interest in emerging technologies.

Figure above showing the result for cell phone attitudes by consumer segment for the year 2006.

## OWNERSHIP

### Ownership of mobile networks in Myanmar

There are only two mobile network providers in Myanmar, they are the Myanma Posts and Telecommunications and Yatanarpon Teleport. “ The Myanma Posts and Telecommunications (MPT), is the main provider of telecommunication services in Myanmar. MPT is operating under the Ministry of Communications, Posts and Telegraphs.” “ In order to fulfil the demand for data communication services for the business and IT industry, Yatanarpon Teleport (YTP) was established in September 2002.”

Song stated in International Business Times that “ MPT and YTP only cover less than 10 percent of the network coverage in Myanmar. In June 2013, Qatar’s Ooredoo and Norway’s Telenor won contracts to develop the mobile network in the country”. Chun and Mahtani stated in the Wall Street Journal that “ Ooredoo and Telenor will become the first foreign telecommunications operators in Myanmar. After decades of military rule in Myanmar, it welcomes the foreign investment to its once tightly controlled telecom sector by awarding the telecom licenses.”

### Ownership of mobile networks in United States

While in United States, there are 14 mobile network providers. The four main providers are Verizon Wireless, AT&T Mobility, Sprint Corporation and T-Mobile US. “ Verizon Communications Inc., based in New York City was

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formed on June 30, 2000, with the merger of Bell Atlantic Corp. and GTE Corp.” “ AT&T Mobility is a wholly owned subsidiary of AT&T Inc. AT&T provides wireless services to 109. 4 million subscribers in the United States.” “ Sprint Corporation is a major global Internet carrier and also provides wireless service. SoftBank Corporation owned majority shares of the company.” “ T-Mobile US, Inc. is an American wireless networks operator, headquartered in Bellevue, Washington. Deutsche Telekom AG maintains a 67% ownership of T-Mobile US, Inc. common stock.”

## NATIONAL REGULATORY STRUCTURES

Spectrum scarcity is the main regulatory issue arising from the mobile network markets. Regulators have to allocate the spectrum rights with care to ensure the growth and efficiency in the market. The mobile network markets of United States and Myanmar are different as they have different number of operators and regulatory structures.

### National regulatory structures in Myanmar

“ The Telecoms Law in Myanmar stated that “ access and interconnection provided by a licensee... shall be on an equitable and non-discriminatory basis and shall not be of lower technical standard and quality than the technical standard or quality provided in the licensee’s own network facilities or network services”. The regulator have the power to negotiate interconnection with the licensees or even share the facilities that cannot be proficiently replicated. The interconnection agreement and the procedure for referring and resolving disagreement are being concluded when the draft regulations go on to specify period. However, it is unseen that how Myanmar

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practice these rules, but in writing Myanmar will have an international regime with other countries which are in best practice.

The next concern is the public availability of licensing criteria. Myanmar had awarded two national mobile licences to Ooredoo and Telenor. The process was open and transparent with more than 90 bidders participating. In both the draft licensing guidelines and the law, the outline for the additional licences is clearly stated. The draft regulations had provided the licensing criteria, timeline and licence terms and it meet the requirements.”

### National regulatory structures in United States

In United States, the mobile service started as a government-licensed duopoly with licenses extending over urban areas and later to rural service areas. The Federal Communications Commission (FCC) achieved this by transferring the 115 MHz of spectrum into mobile uses. There are many operators owned the licenses but soon consolidation happened within the industry by mergers and acquisitions. FCC gives the permission to Fleet Call, a new company to penetrate the market by selling the special mobile radio licenses and convert them to cellular use in 1992, because Fleet Call offered to make better use of the spectrum. Then, an advance mobile communication- Personal Communications System (PCS) was invented. The licences for PCS can only be obtained through a government auction.

## SOCIO-ECONOMIC ORIGINS AND FUNCTIONS OF MEDIUM IN TODAY'S SOCIETY

### Socio Economic Origins in Myanmar

Ever since Ooredoo and Telenor invested in Myanmar, there are numerous benefits which the country obtained. The overall economic effect of mobile sector in Myanmar is estimated to increase by 1.5-7.4 percent of gross domestic products (GDP) in the first 3 years after the licenses are issued. There will be an impact on the employment rate in Myanmar for mobile sector, estimated over 66,000 will be employed as full-time employees.

Figure above explains both direct and indirect employment rate of mobile value chain. Productivity of workers increased for the past 3 years because of the effect of mobile communication. This is mainly caused by the information flow between seller and buyer, decrease in time for travelling, and the possibility to access in new areas in Myanmar. For example, agriculture sector, fisherman or farmers could quickly be notified about the price change in the market so that they could alter their plans. It is forecasted that Mobile Network Operator (MNO) gives various benefits to the supply side of economy in Myanmar via the direct impact of their outflow.

As for the social impacts of mobile phone in Myanmar, the development of Myanmar's community interpersonal and family communication will be improved. Moreover, isolated areas could be reached with the support of mobile phones. Hence isolation will be reduced.

### Socio Economic Origins in United States

The mobile phone sector for United States brought a deep impact in the economy. Figure 6 shows that United States mobile phone industry has created 3.8 million directly and indirectly. An increment of 200,000 employments and this could conclude that an increase of 2.6% of all US

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employment. Furthermore, the phone industry with its direct and indirect workers has paid over \$88. 6 billion in taxes, as well as the federal, state and local fees. Moreover, mobile phone sector, it contributed \$1. 739 billion to US GDP from year 2011 to 2012. Moreover, an increase in government revenues as much \$468 million and the employment rate also increased by 7, 000.

Figure 6 shows that the employment created by wireless industry in the United States in year 2011.

#### Function of medium in today's society

The mobile phones clearly shows the priorities and values of our culture. Firstly, the mobile phones reveal the culture of constant communication. It is important for today's society to stay connected with their family, friends and colleagues. People are able to call anyone with a mobile phone no matter where it is except for those areas that do not have mobile network coverage.

Another concern of people purchase mobile phones is for safety reason. Mobile phones keep people feeling safe through being connected. Imagine someone stuck on a dark road with an empty gas tank or a flat tire and the person does not have a mobile phone to ask for help. The person might have wait for someone that pass by or start walking in the dark. Besides, this is a dangerous world, anything could happen. A mobile phone is needed for us to get help when we need it most.

Another cultural priority of today's society is reflected by the mobile phones, which is technology. We are living in a society that continuously searching for the “ new and improved” technology. Mobile phones was very big and

clunky objects that got very poor reception and not reliable. And now it transformed to a mobile phones that able to fit in our pocket and have many technological abilities that are important to today's society.

After all, mobile phones are really extremely important in today's society.

## CONCLUSION

The purpose of this paper is to search for the reason why there is a big gap between the mobile network system of the United States and Myanmar. After the analysis, the main reason that the weak mobile network system in Myanmar is because of the military has the control of the whole telecommunications system. Myanmar did not open to other countries to invest in the telecommunications sector until 2013. However, the main concern of people getting a mobile phone is to look for safety, status, or service. Both United States and Myanmar need to invest in its infrastructure with proper regulatory measures to ensure they the people in the country could enjoy the best facilities.