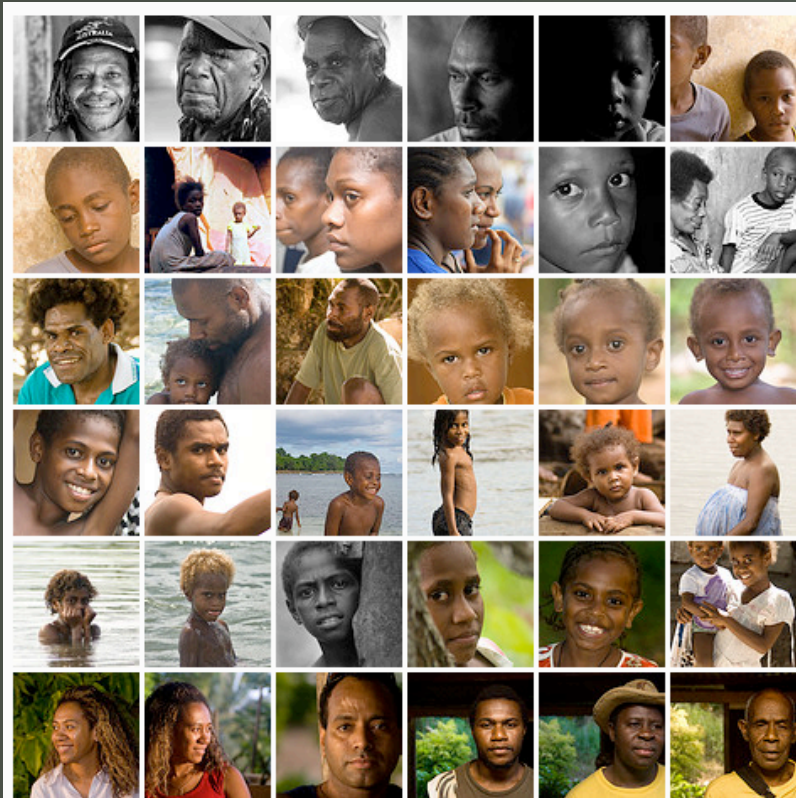


Network Effects

Social Significance of Mobile Communications in Vanuatu



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Port Vila, Vanuatu

Background



- ◉ **Vanuatu IT Users Society (VITUS) is an NGO devoted to improving quality of life at all levels through improved communications**
 - ◉ Community of Practice
 - ◉ Advocacy
 - ◉ Building consultative channels and processes with all stakeholders

About



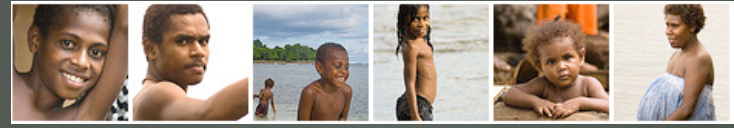
- ◉ **A (very!) brief overview of social effects of Vanuatu's new telecommunications policy**
- ◉ **2006 – Telecoms policy announced:**
 - ◉ Liberalised market + sensible subsidisation
 - ◉ Universal access
 - ◉ Progressive loosening of licensing criteria
 - ◉ Pushing participation 'down the food chain'
 - ◉ Improving access for small and micro-businesses, both in telecommunications and all other economic areas

About (cont'd)



- ◉ WHY? Communications is infrastructure, just like roads, wharves and airfields
 - ◉ ... and it 'fits' better with tradition than they do
 - ◉ ... and given our geography and limited resources, it's more efficient, too
- ◉ REMEMBER: Effects work in all directions!

yesterday



- Information Starvation
 - People devour information at the village level
 - Everybody wants to know everything about everybody, all the time
 - « Yu go wea? » - standard greeting in Vanuatu
- Out of sight, out of mind?
 - People leave the island, but not the family
 - Communications, however, are strained
 - People 'hide' from their villagers in Port Vila and Santo, rely on their ignorance
 - Family is still the strongest social force

expectations



- Demand is huge
 - « I have 5000 vt buried in a coffee tin »
 - « My cousin brings her mobile to the garden, just in case »
 - Most new customers are getting a phone for the first time, or purchasing for family members who can't afford one
 - Mid-range phones sell out on day 1
 - Line-ups have not reduced significantly since day 1
- Demand is immediate, everywhere
 - « Aore and Malo islands have no signal! »

Network effects



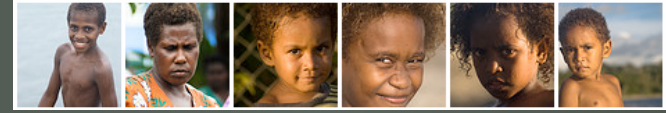
- The greater the number of users, the greater the value to all
 - Concept introduced in 1908 by Theodore Vail, president of Bell Telephone
 - Still misunderstood by most small market analysts 100 years later
- Wireless communications have redefined 'marginal markets'
 - Top TVL revenue earner: GSM services
 - 20,000 subscribers in Vila and Santo (total pop. ~60,000)

Effects



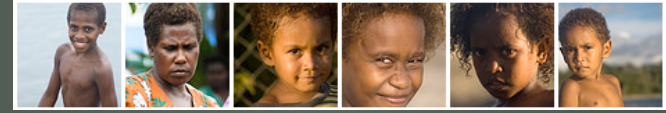
- Obvious:
 - Business efficiency
 - Political transparency
 - Social 'glue' (actually, it's 'sticky' in different places, but that's another presentation entirely...)
 - Information and education, esp. through 2G and 3G technologies
 - Government service delivery, efficiency
 - Decentralisation
 - Economic prosperity? Maybe...

More Effects



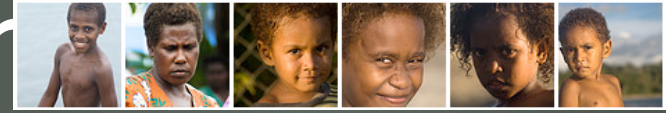
- Not so obvious:
 - Demand will always outstrip expectations
 - Remote nodes don't 'push' revenue, they 'pull' it
 - SMS to Vila: « Call me back »
 - « I'll just chat for a minute » = all available credit
 - Demand will increase to meet supply, no matter how much supply
 - Network bandwidth in Vanuatu has increased by leaps and bounds – there is never enough
 - The idea that bandwidth will only sell in town is false
 - The real constraint is power, not bandwidth
 - Demand is driven by social need first, then by business

conclusions



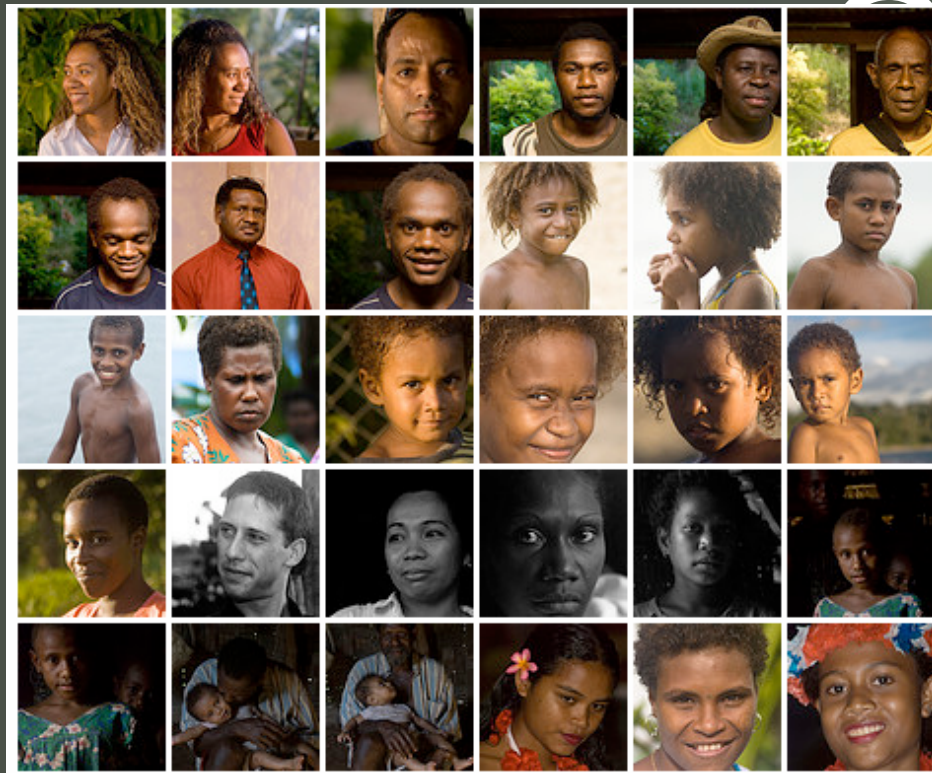
- Smart telcos feed the network first, then themselves
 - Sell phones in pairs: One for me, one for my wantok
 - Electronic credit transfer
 - Tiny credit top-ups; enough for one quick call
 - Give away solar chargers, sponsor charging centres
- Sponsored SMS-based services
 - High school exam results
 - Bulletin boards, esp. at community level
 - Weather, banking, commodity prices, *anything*

More conclusion



- Any **thing** that feeds the network is good for the network
- Any **one** who feeds the network is good for the network
- What's good for the network is good for all the carriers

THANKS!



Questions?

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Photos: <http://www.imagicity.com/>

Commentary: <http://scriptorum.imagicity.com/>