



HELSINKI UNIVERSITY OF TECHNOLOGY  
Networking Laboratory

# Impacts of Handset Bundling on Mobile Data Usage: Case Finland

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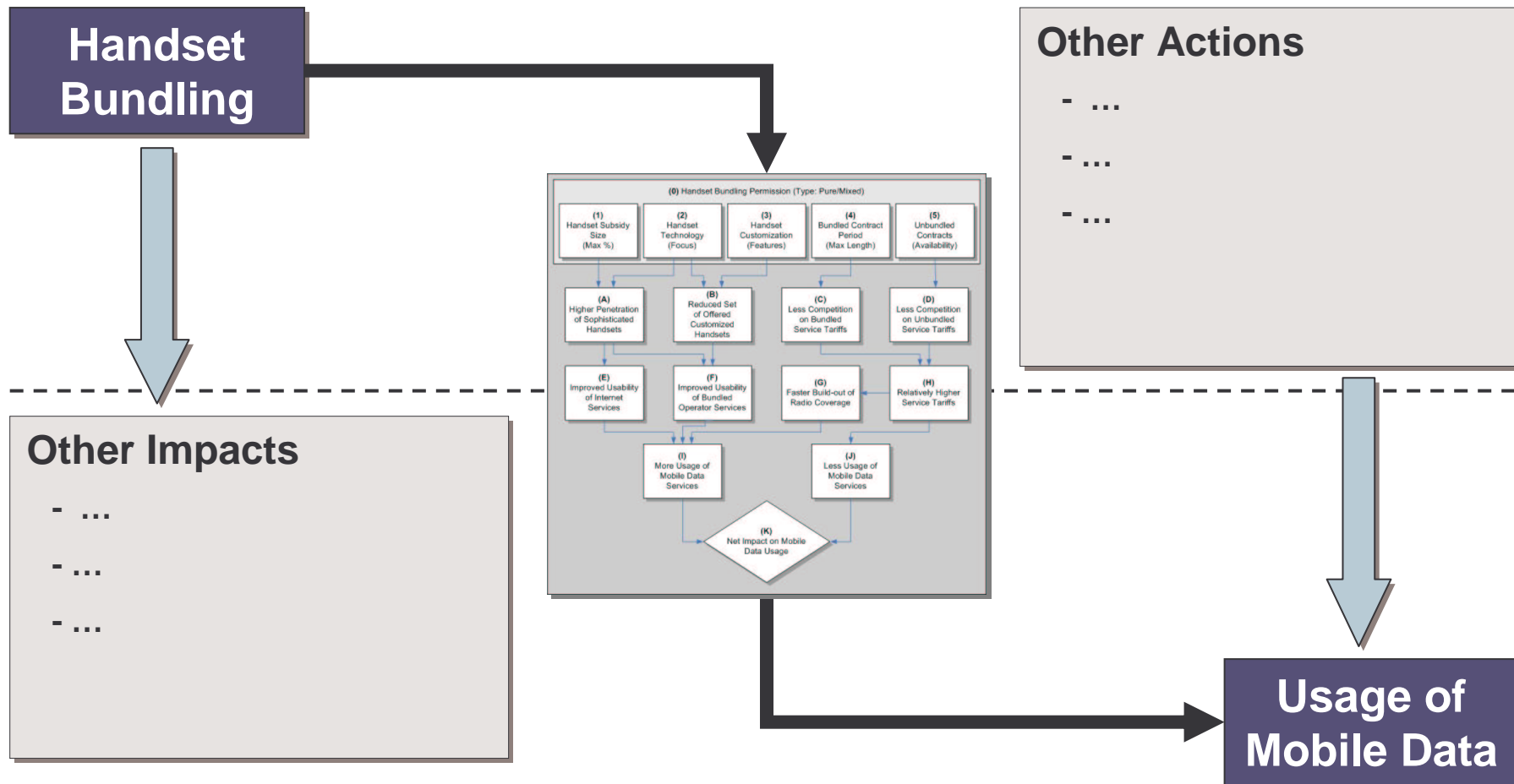
# Outline

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- Impacts of handset bundling on mobile data usage
- Case: Finland
- Conclusions



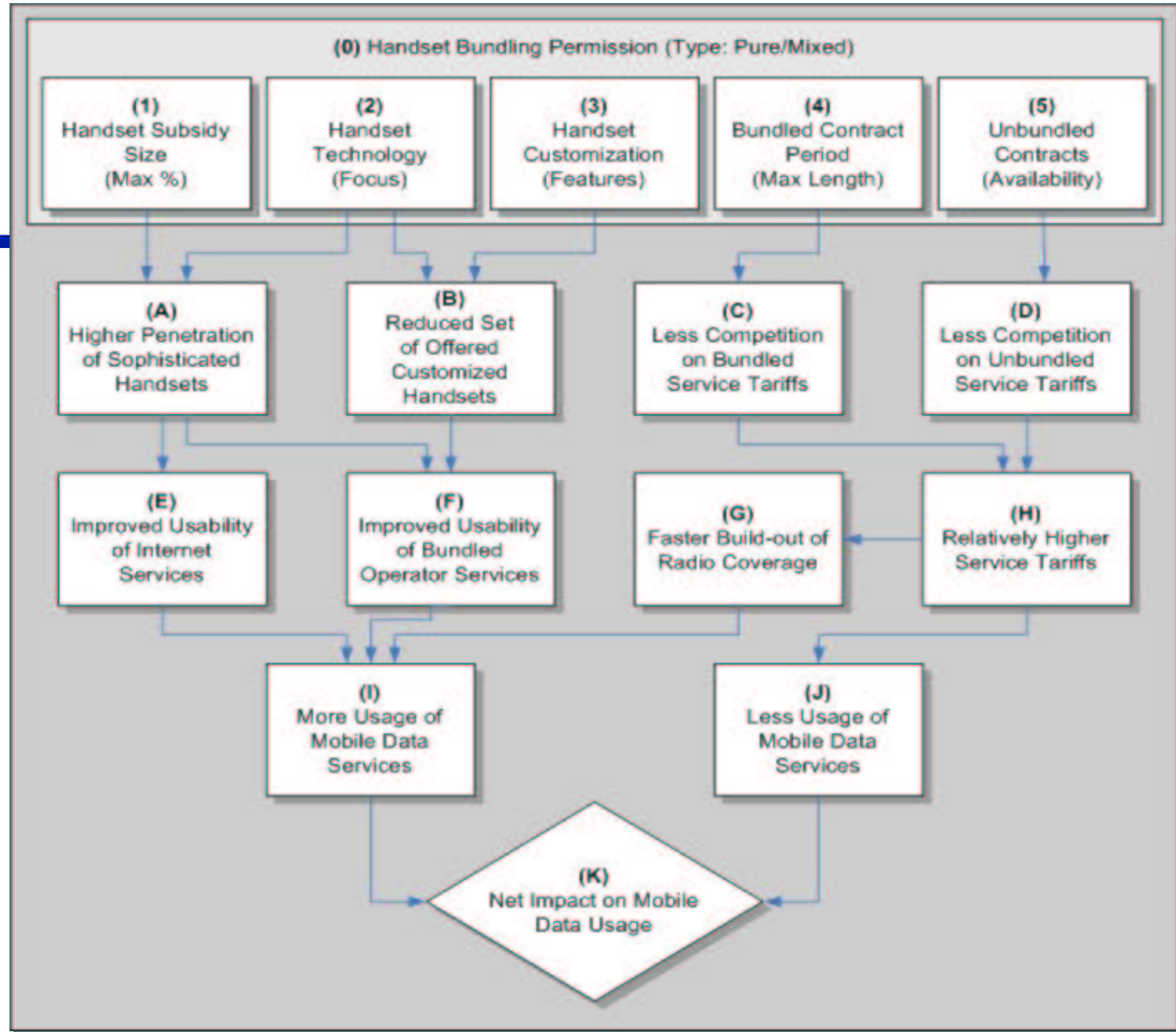
# Impacts of handset bundling on mobile data usage: Scope of framework





# Impacts of Handset Bundling on Mobile Data Usage:

## Framework





# Case Finland

April 2006 – Before and after...

<b>April 2006</b>	<b>Before (~Jan 06)</b>	<b>After (~Jan 07)</b>
Handset bundling	Not allowed	Allowed - Targeted
Mobile handset base	~0,5% 3G	~10% 3G
Marketing of mobile data	No	Still No
Usage of mobile data	X MB	~(3-4)*X MB
Competition	Heavily on price	Services and 3G-packages
Customer churn	> ~15%	< ~15%
Switching cost	Low	Higher

Sources: COIN, Mobile Operators, Ficora, Numpac



# Conclusions

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- Targeted handset bundling can have a positive impact on the adoption of mobile data services
- However, usage impacts of handset bundling are sensitive to:
  - bundling rules defined by regulator
  - other market related parameters
- Potential negative usage impacts can be reduced by:
  - shortening the maximum contract period
  - requiring mixed bundling
  - maintaining free connectivity and free application downloads
- Despite the short term positive effect on 3G handset penetration in Finland between 2005 and 2006, no conclusions can be drawn considering the future
  - In the worst case handset bundling can even slow down handset renewal



# References

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- Tallberg M, Hämmäinen H, Töyli J, Kamppari S, Kivi A (2007): *Impacts of Handset Bundling on Mobile Data Usage: Case Finland*, (journal paper submitted)
- <http://www.netlab.tkk.fi/tutkimus/coin/>