



Choosing a Mobile Phone Service

This fact sheet has been developed for the Consumer Education Program by the Communications Commission of Kenya. It was compiled by studying material from various authoritative sources and adopting what is universally acceptable and relevant to the Kenyan situation. The fact sheet is intended to enable Consumers have a good understanding of the issues discussed and hence empower them when making decisions regarding ICT products and services.

Introduction

Before choosing a mobile phone service and perhaps signing contract, users may wish to know what the various offers and services are and what they mean. Users may also want to consider the following;

- The type of contract one wants including its length, method of payment and the amount of notice one has to give for its cancellation.
- The rate applied on calls, especially calls to other networks, how often and when the phone is likely to be used.
- Whether a handset sold with a line is subsidized, or is being offered for free and whether the cost of the handset affects the price you will have to pay for monthly rental or call charges.
- Whether a phone sold with a line can be used with lines provided by other networks and whether or not insurance cover is provided.
- The quality of reception in the area where the phone will be used.

Types of service agreements

There are four basic types of service agreements for mobile phone services. These are:

a) Fixed term contract

Mobile phone contracts are of a specific duration usually between 12 - 36 months. During this period the user's mobile phone service provider commits to provide the subscriber with access to the network and in many cases the use of a handset and a certain number of free calls or text messages per month for a fee.

b) Pay monthly (no contract)

This is an agreement in which one owns a handset while the mobile service provider provides the user with connection to its network, often on a month by month basis. This offers the user the flexibility of changing phone companies more easily.

c) Pre-paid (pay as you go)

Prepaid mobile phone services offer people more control over the amount they spend. In prepaid plans, you can either use your own handset or purchase one separately. The



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service is activated when credit (air time) is loaded into the line resulting in the registration of the line.

It is important to note that call charges for prepaid mobile services differ from one service to the other, so a user must enquire about call charges. Also, if the user wishes to purchase a mobile phone as part of a pre-paid package, it is advisable to ask if it is locked to the network since some phone service providers lock some of the phones they sell on their networks and the user may have to pay an unlocking fee if they choose to change to a different mobile phone network.

d) Leasing

If the user needs a mobile phone service for a particular period of time only, then one may consider leasing or renting one. Leasing has the advantage of preventing the user from being tied to a lengthy contract.

Call charging methods

a) Per second to per block billing

Most mobile phone tariff plans in Kenya employ a per-second billing system where the subscriber is charged for the number of seconds a call lasts after connection. For example, if the subscriber initiates a call that lasts for 45 seconds then the charges will be for the 45 seconds only.

Other forms of billing include per block billing (usually 60 seconds, i.e. per minute). The user ought to find out from their network operator what billing methods are available and which one is applicable to the user's preferred tariff plan. This will help the user to control the costs of the calls they make.

b) Flag fall (connection fee)

On certain tariff plans, some providers charge a flag fall fee (commonly called a call set-up fee) for every call made. The flag fall fee is an amount charged for initiating a call and is charged before conversation begins, and as such is separate from the charges for the call's conversation time. For example one may only speak for 45 seconds but be charged for the 45 seconds plus a flag fall. Users should always inquire from their phone service provider whether the provider charges a flag fall per call on the selected tariff plan.

Call cost

a) Variable rate

Mobile phone companies may also offer variable rates for calls, especially under a fixed term contract. There is usually a trade-off between monthly access charges and the rates for the calls. This means one is given lower rates if he/she pays a higher monthly access charge. Lower call costs can thus be realised by frequent callers.



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For subscribers making few and far between calls it would be cost effective to pay a lower access charge and higher rates. In general, the lower the monthly access charges the higher the rates charged per second/minute for calls made. For an average user there maybe benefits in paying a little bit more in access charge and lower rates.

There may also be other services included as part of higher priced plans such as free voicemail and a certain number of free calls.

b) Flat rate

Some phone companies charge a flat rate for all calls. This can offer a degree of certainty as to how much one will spend on calls. It is important to add up all the applicable tariff components to determine the costs likely to be incurred before deciding which type of service is best.

Tariff Plans

Tariff plans are the different billing schemes available to a subscriber for the use of a carrier's network services. For example, a service may be charged for at a fixed rate irrespective of the time of day or night. A service may also be charged at two rates, one during peak hours and the other at off-peak hours. The different forms of tariffs imply that subscribers have to either tailor their calling habits to take maximum advantage of the tariff of their choice, e.g. by making calls or sending text messages during off-peak times or subscribe to more than one tariff plan by owning more than one SIM/R-UIM cards and/or phones.

The tariff plans available in the country include the following:

- Plans that offer a constant flat rate irrespective of the time of day or night
- Plans that are cheaper during the night, afternoons or during weekends
- Plans that enable subscribers to choose a specified number of persons and be able to communicate to them at lower rates relative to rates applicable to other persons they call.
- Plans whose rates reduce as the length of the conversation increases i.e. the more you talk the cheaper it becomes

Different service providers offer tariffs which mostly differ on the time of day/night or number of hours that peak and off-peak times are offered. Consumers are therefore advised to make sure that the services they choose have tariff plans that most suit their lifestyles in order to reap maximum benefits and avoid inconveniencing themselves.

Length of call

Generally all mobile calls are charged on the basis of call-duration - . The longer the call, the more one is charged. If the user expects that they will generally make long duration calls, it may be worth paying a higher access charge so that their actual call cost are lower.



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Alternatively, you can look for a flat rate service that offers discounts off the total bill.

If most of your calls are of short durations (less than a minute) then being charged per second may help to minimise the cost of one's calls.

Time of call

a) Variable rate

On variable rate plans, call costs are generally higher during business hours. If most of a user's calls are made during this period it is worth checking different phone company plans to see if any offer a cheaper service for these peak hours.

Calls are however generally cheaper during weekends and at night. If most of a user's calls are made during this off peak periods then it may be best to select a plan that offers cheaper calls for these times.

b) Flat rate

If one is charged a flat rate, the time of day when one calls is not important

Special offers

Same network calls

If the user knows their frequently called numbers, it may be possible to find a special deal that allows calls to some numbers to attract a cheaper rate than normal. Some provider's offer special rates for the same network connection. Therefore, if the user's friends or business colleagues are with a particular mobile phone company one can save on call costs by joining that same provider.

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