



## **Comments**

**By**

**The National Institute of Communication Finance  
(NICF)**

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**On**

**TRAI's**

**Consultation Paper**

**On**

**Transparency in Publishing of Tariff Offers**

**Question 1: Whether TRAI should prescribe any format for publishing tariff? Please support your answer with rationale.**

A format for publishing tariff by TSPs is the need of the hour as the formats for publishing tariff plans were last revised vide directions dated 16.01.2012 (“2012 Tariff Offers Publication Directions”). The Telecom Sector has undergone a sea change since 2012 including the entry of new players and exit/consolidation among the existing players. Due to intense competition between the existing TSPs, it is necessary that a format be prescribed by TRAI which will help the consumers understand the nuances of different plans being offered by TSPs in a simple and consumer-friendly manner.

**Question 2: If the answer to the Question 1 is yes, then please give your views regarding desirability of publishing tariffs on various modes of communication viz., TSP website/Portal, App, SMS, USSD message, Facebook, WhatsApp, Twitter, Customer care centers, Sales outlets etc. If the answer to the question is that tariffs should be published on multiple channels as above, please state whether TRAI should prescribe a separate format for each channel. Please also suggest the essentials of the format for each channel.**

As the consumer now imbibes information through various modes of communication viz., TSP website/Portal, App, SMS, USSD message, Facebook, WhatsApp, Twitter, Customer care centers, Sales outlets etc., it is desirable to publish tariffs on all these different modes of communication. There can be a common format for TSP website/Portal, App, SMS, USSD message, Facebook, WhatsApp, etc. However, a more simplified format would be required for SMS and USSD whereas a more detailed format containing more comprehensive information can be prescribed for Customer Care Centres, Sales outlets, etc. New tariff plans whenever launched should also be published in print media by the TSPs.

**Question 3: Whether the extant format prescribed for publishing tariff at TSP’s website conveys the relevant information to consumers in a simple yet effective manner? If no, please provide the possible ways in which the same can be made more effective?**

Currently the order in which tariff plans are displayed on TSPs’ websites is determined by the TSPs themselves and the plans that the TSPs deem most desirable for consumers are displayed at the top of the list. Instead, the TSPs may be asked to allow the consumers to sort the plans by tariff rates/talk time/data/validity etc. as per their own requirements so that they can make an informed choice.

**Question 4: Whether the service providers be required to publish all the tariff offerings and vouchers in addition to the publishing of tariff plans, in the prescribed format? Please provide rationale for your response.**

The service providers should be required to publish all the tariff offerings and vouchers in addition to the publishing of tariff plans in the prescribed format because the actual tariff payable by the consumer may differ considerably from that advertised in the tariff plans due to the applicability of various Special Tariff Vouchers and Combo Vouchers.

**Question 5: Whether there is a need to mandate TSPs to introduce a tariff calculator tool to convey the effective cost of enrolment and continued subscription? If yes, what can be the essential features of such a tool? If the answer is in negative, then please give reasons for not mandating such a tool.**

There is a need to mandate TSPs to introduce a tariff calculator tool to convey the effective cost of enrolment and continued subscription. The tariff calculator tool should enable the consumer to calculate the actual tariff payable by the consumer after the applying various STVs and CVs as per the consumer's choice. The tariff calculator should also be able to offer the optimal tariff plan to the consumer based on his/her requirement for talk time/data usage/validity, etc.

**Question 6: Whether the service providers be asked to disclose clearly the implications of discontinuation of tariff plan after expiry of mandatory tariff protection period of six months on the provision of non-telecom services offered as a part of the bundle at the time of subscription to a particular plan? If yes, what should be the exact details that service providers may be required to provide in case of bundled offerings? If the answer is in negative, then please give reasons for not mandating such a disclosure.**

Apart from talk time, data usage and validity, a major consideration for the consumer for choosing a tariff plan is the provision of non-telecom services offered as a part of the bundle at the time of subscription to a particular plan. In this scenario, the service providers should be asked to disclose clearly the implications of discontinuation of tariff plan after expiry of mandatory tariff protection period of six months on the provision of non-telecom services. In case the consumers have to bear additional charges for the non-telecom services after the expiry of mandatory tariff protection period of six months, it must be clearly disclosed to the consumers beforehand.

**Question 7: Whether the service providers be required to provide a declaration while reporting tariffs to TRAI and displaying tariffs through its various channels that there are**

**no terms and conditions applicable to a tariff offering other than those disclosed here? Do we require additional measures to ensure that all the terms and conditions are clearly communicated to the subscribers and the Authority? If the answer to the above is yes, then please provide your suggestions in detail. If you do not agree with the above requirement, please provide detailed reasons for the same.**

A declaration by TSPs is essential while reporting tariffs to TRAI and displaying tariffs through its various channels that there are no terms and conditions applicable to a tariff offering other than those disclosed here. This would legally and ethically bind the TSPs towards transparency in reporting tariffs while keeping the cost of compliance for the TSPs negligible. This would also ensure that the consumer has access to the requisite information while making an informed choice.

**Question 8: Whether the service providers be required to publish details of all plans in the prescribed format including the plans not on offer for subscription but active otherwise? Please support your answer with rationale.**

Yes, the service providers should be required to publish details of all plans in the prescribed format including the plans not on offer for subscription but active otherwise as long as there exist bona fide subscribers for a particular plan in the billing system.

**Question 9: Whether the service providers be required to update the information on point of sale and retail outlets simultaneously with the launch/change of a tariff offer?**

Yes, the service providers should be required to update the information on point of sale and retail outlets simultaneously with the launch/change of a tariff offer. Under the present regulatory framework, the information regarding tariff plans needs to be updated immediately on the website and customer care centers but the same can be updated on point of sale and retail outlets with potential lag period of three months. During this period, the consumers approaching the point of sale and retail outlets may not have access to the updated information regarding tariffs. Hence, this inconsistency needs to be removed urgently.

**Question 10: Whether the tariffs published in prescribed formats are displayed on websites of the service providers in an effective manner? If no, should the manner of display on website may also be prescribed by the Authority? If it is felt that the manner of display on website may be prescribed by the Authority, please give your views on the proposed display framework.**

The information regarding tariff is not being displayed on websites of the service providers in an effective manner. There is overcrowding of information in some columns and the fine print is often illegible. The consumer should have the option to customize the information displayed as per his/her talk time/data usage/validity etc. along with a tariff calculator to further aid in the process of informed decision making by the consumers.

**Question 11: What are your views on introduction of concept of unique id and requiring the service providers to link the tariff advertisements etc. with corresponding tariffs published in TRAI prescribed formats including requirements to publish dates of implementation of tariff and that of reporting of tariff. Do you think that any other safeguards need to be introduced? If yes, please elaborate. Please support your answer with rationale.**

The introduction of concept of unique id and requiring the service providers to link the tariff advertisements etc. with corresponding tariffs published in TRAI prescribed formats would be helpful in the monitoring and compliance mechanism. Since telecom tariffs are dynamic by nature, the concept of unique id can be crucial in tracking changes in tariff and ensuring monitoring of compliance by the TSPs. This move has become more crucial since TRAI has now withdrawn the requirement to publish tariff offers in newspapers.

**Question 12: Whether the proposed monitoring and compliance mechanism is enough to deter any violation of compliance with applicable regulations/directions. If no, please suggest further safeguards that may be introduced to ensure a robust monitoring and compliance mechanism.**

The proposed monitoring and compliance mechanism may help to deter any violation of compliance. However, regular monitoring, feedback and review of the monitoring and compliance mechanism would be required in the future for timely addressing the shortcomings, if any, in the system.

**Question 13: Any other issue relevant to the subject discussed in the consultation paper may be highlighted.**

In addition to the measures proposed in the consultation paper regarding transparency in publishing tariff offers, a format should also be prescribed digital payments apps such as Paytm and Phone Pe as a large number of consumers choose their plans through these apps. Furthermore, the prescribed format should also contain a column regarding all the non-telecom services being offered by the TSPs, especially those pertaining to audio-visual content.

Further, a paper written by Sh. Manish Sinha, Director General, NICF on “Empowering Telecom Consumers: Exercising the Right Choice in Tariff Selection” is enclosed regarding the use of E-information and e-Governance Application in respect of tariff offers.

# **Empowering Telecom Consumers: Exercising the Right Choice in Tariff Selection**

**Manish Sinha,**

**Director General NICF**

How baffled are we when we select a tariff plan for our mobile phone usage? Whenever a new user enters the telecom market, whether he/she is an educated teenager or a semi-skilled local entrepreneur/service provider, two aspects trouble his mind; one is the price of the mobile equipment and the other is the user charges he/she has to pay for the use of telecom services. This discomfort has manifested itself in determining the manner in which we use the services; most of us being pre-paid users as this became the only way to control expenses. However it has remained a question whether this is the optimal usage of the service or we tend to along with the tariff plan controlling the monthly or bi-monthly lump-sum bill.

Tariff plans are an important instrument of differentiating product offers that is used by the telecom operators to attract new customers as well increase the usage on their networks. Telecom Regulatory Authority of India (TRAI) issues TTOs (Telecom Tariff Orders) to regulate the tariff that is applicable to the customers. It protects the customer from any discriminatory or non-competitive tariffs and prescribes publication and display rules to be followed by the telecom operators to inform the citizens of the tariff plans on offer at any point of time. Though it also specifies reporting requirements on the operators, it does not mandate it to provide any comparative of the various tariff plans.

An operator can issue 25 tariff plans for both pre-paid and post- paid categories at any point of time. In addition, an operator can issue Special tariff vouchers or combo vouchers, which are rate-cutters that redefine the applicable tariff. Since unlimited number of vouchers can be issued, it further confuses the customer about the actual tariff that is applicable for various services available on the mobile phone. The inability of a customer to analyze each plan and optimize his use is very evident and there have been a number of consumer groups that have raised the issue at several forums to simplify the tariff regimes. On the other side, the telecom service providers (TSPs) demand a higher number of plans to enable a variety of offers of their services and realize the full potential of the demand existing in the market arena. All these tariff plans are reported on paper to the TRAI and are not available in the public domain.

## **E- Information**

An immediate solution would be to convert the reporting system into an e- reporting system. This will enable the reporting of tariff to TRAI to be made in e- format with full or partial standard format. A standard format can have the following elements that are in quantifiable form in the tariff plan:

1. Rental chargeable for the scheme.
2. Processing/activation fee
3. Local call charging rate.
4. STD call charging rate.
5. ISD call charging rate.
6. National/International SMS rate.
7. Data rates (per kbps)
8. Roaming call rates ( National/International)
9. Data roaming charges.
10. Discounts/freebies for each item separately or combined discounts.
11. Any linked tariff voucher in use for discounting any of the rates.

The formats have to be made with ability to change and recognize changes in method of offer as a number of operators introduce concessional hour charging, distance based charging or peak/ off- peak hour based charging. It is the dynamic changes in items of tariff and charges that have always discouraged the setting up of a system that can trace all changes and make comparisons. However a system that can separate the comparable items and put forth an analysis of the relative position of each operator can add immensely to the transparency in declaration of telecom tariff and enhance the ability of a customer to make optimal usage.

However, to put into operation an information system that can be accessible on the net, software to store this information will have to be prepared which can export/import information in Excel format or it can put input templates that can be made accessible to the operators. The operators can directly feed the data into the system as per the reporting requirements and this will allow a continuous and complete database on telecom tariff in the country. A good business tool overlying this system can enable fruitful analysis of the data to yield valuable assessment of the impact and effectiveness of the existing regulatory regime. It will assist to measure effectively the trends in tariff and also quantify the increase or decrease in tariff over a period. A robust tool can also help assess the thresholds for changes in tariff and give a report on tariff plans that overstep such threshold and regulatory intervention may be required.

## **Existing Systems**

There are APPS and website in the private domain that are providing such facilities. The prominent service providers are the **iReff App** which provides an analysis of the pre-paid services in various telecom circles in India. The other is the website **Komparify.com** which does

a comparative analysis of the post-paid service in the circles in India. These offerings however suffer from limitations:

- There is no accountability on the information provided
- The customers may not be aware of the existence of this service
- There is no obligation on the telecom service provider to provide the information to these sites
- These services do not give a final picture of the total mix of usage of a customer
- These sites fail to account for the discounts available through the Special tariff vouchers (STVs) and Combo Vouchers (CVs).

There are more than 1100 million telecom users in the country and such a facility is not commonly available to all the customers. A number of private firms engage in providing analysis service to large/bulk users and provide consultancy on the best-fit tariff plans that effect savings in the telecom related expenditure for large users. Similar services need to be provided to individual customers so that they are able to exercise the most economic and appropriate choice of tariff plan.

### **E- Governance Application**

The smart technology commonly uses technology that is now called “**anticipatory computing**” or ‘**predictive intelligence**’ which uses personal data to provide information without being asked for it. This technology can be used to highlight the information when a customer expresses the need to buy a telecom service or wishes to use a new service/product on his mobile phone. In such a scenario, the database in a government system should be utilized to provide the most effective delivery of service to a customer. There are two specific solutions that can be provided through the TRAI website.

1. There should be a separate section on the website for new users and those who wish to subscribe to a new telecom service. This must be included in the **Customer Services** section of the official website of the TRAI. The website must have ready reckoner tables of comparative tariff of all the operators in particular telecom circle on an item without discounting or adjusting for free calls. It can easily be drawn from the database built by the reporting system which has the tariff record from all the operators for all the telecom circles in India. It will help the subscriber to select a tariff of choice and weigh it vis-à-vis the quality of service of the TSP to decide which operator to choose for demanding telecom service. Since the Mobile Number Portability is operational all over the country, it will help the customer to make an **informed switch** to the most appropriate operator. It would enable the customer to make an informed choice and shift the balance to the customer, empowering the consumer in the process. The need

of complete transparency has been a central theme of the various instruments of regulations used by the TRAI. The items included would be:

- The eleven items of tariff listed above must show the applicable rate for each item.
- An extra column for showing the applicable STV or CV must be incorporated
- The data must be updated every day as the applicable date of tariff are selected randomly.

2. The other instrument of e-governance is a **Mobile APP** or an application based utility that can be easily downloaded on a mobile that can yield a reasonably accurate assessment of a monthly telephone bill of a customer based on the choice of telecom services expressed by a user and the choice of the telecom operator in a particular circle. It can be used by providing estimates of monthly usage of the various services in the units of usage applicable to that particular service (it could also provide conversion of units like kbps based usage into minutes). Once this data is captured, it can easily be computed as to what will be a monthly bill under a particular tariff plan. Once a computation is available, the result can be displayed to the customer in the order that is again set by the user. The essentials of such an APP would be:

- A template to capture the estimated volume of usage of the customer who accesses the application
- A feature to provide a comparative of the computed monthly bill against at least four tariff plans
- Another feature to provide computation of alteration due to selection of any particular STV or CVs
- Some additional information on the telecom service providers operating in the selected circle

### **Conclusion**

An ever increasing number of telecom users are now accessing the services and transparent information on tariff is essential to not only prevent “bill shock” but also to draw customers to the post- paid connections. Transparency of tariff and a stable billing regime will help the market to increase the share of post-paid customers that reduces the churn in the telecom market and strengthens the performance of the telecom markets.

On the other hand, the customers have complete information on the tariff plans and thus can make the choices that optimize their communication usage. It empowers the customer to the extent that they do not feel caught in a plan that restrains them from using one or the other service. This is very useful in a scenario where data usage is increasing and in comparison to voice usage, it is more difficult to control the data usage bills. The new analytical tools as a measure of e-governance will improve the satisfaction levels of the telecom customers and reduce the number of grievances of the telecom operators. These are also the essential functions of the telecom regulator and will add value to the regulatory regime.