



भारतीय प्रबंध संस्थान कोषिकोड
Indian Institute of Management Kozhikode



January 21, 2020

The Advisor
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan
Jawahar Lal Nehru Marg (Old Minto Road)
New Delhi 110002

Sub: Consultation Paper on "Transparency in Publishing of Tariff Offers" issued on 27th November 2019: Soliciting your valuable comments on the questions raised in the Consultation Paper.

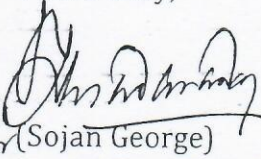
Ref: Your letter no. 301-16/2019-F&EA(Pt.) dated 05.12.2019 addressed to our Director

Dear sir,

With reference to your above referred letter, I have been directed to forward the Institute's comments on the issues raised in the consultation paper. Please find the same attached.

Thanking you,

Yours truly,


for (Sojan George)

Senior Executive Secretary to Director

Encl: as above

Comments:

The paper discuss various issues that are relevant to improving the transparency of communication between the telecom service providers and the customers. Arguably, the key issues revolve around the following:

- Display of data
 - How it influences processing of data
 - How to provide information and not data

Research shows how display of data influences information acquisition. Let us understand this through an example. Suppose one plans to buy popcorn at a movie theater. He is given two options—a large popcorn for Rs.500 and a small for Rs.150. Presumably one will choose the small as the large seems to be prohibitively expensive. Now suppose, instead of two options there are three—large at Rs.500, medium at Rs.450 and small at Rs.150. Will one still choose the small? In the presence of medium, one will probably prefer the large one (the difference is only Rs. 50), one is nudged to choose the larger option. This is a classic demonstration of how marketers can influence consumer choice by playing with numbers/data.

One underlying theme that emanates from this example is consumers suffer from preference uncertainty—they are not so sure, which of the three price/quantity combinations will offer them the highest value. The large option looks more attractive in the presence of three versus two options. How can the overall utility of an alternative change in the presence of more alternatives? This is against rational choice and research in the last several decades has documented such biases in consumer decision making that has opened up the field of behavioral economics. More important, there is a severe disconnect between the data provided and the inferred information.

Majority of the tariff plans offered by service providers contain data but not information. For example, sometimes the tariff plan falls into the category of popcorn example—plan 349, plan 749 and plan 999. Plan 749 is like the medium sized popcorn. Thus, it may so happen that consumers are making choice based on numbers but not on the real utility afforded by any particular plan. In a similar vein, different data plans—75 GB, 125GB and 150GB, have differential price offering. Not only this looks like the example discussed above but also consumers may have no clue how is he going to relate these different data packages to things that he does. For example, consumer A on an average uses the internet for 4 hours, same as consumer B. However, consumer A watches more videos compared to consumer B. How will he translate the differential usage consumptions into average data consumption? In other words, what is the real meaning behind the data packages offered? In essence, majority of the consumers have minimal information to link consumption pattern with data packs.

In the main, tariff plans should not be a displayed in the form of some inconclusive and ambiguous numbers. Care should be taken to help consumers to translate these numbers into meaningful information.

