

**SUSTAIBNABLE COMPETITIVE ADVANTAGES WITH THE DEBUT
OF MOBILE NUMBER PORTABILITY:
A CASE OF MALAYSIAN MOBILE PHONES**



**RESEARCH MANAGEMENT INSTITUTE (RMI)
UNIVERSITI TEKNOLOGI MARA MALAYSIA
40450 SHAH ALAM
SELANGOR DARUL EHSAN**

BY:

**ZUBAIDAH ZAHIRUDDIN
ANIZAH ZAINUDDIN
YUSLINA LIZA MOHD YUSOF**

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EXECUTIVE SUMMARY

Mobile Number Portability (MNP) was implemented in December 2008 in Malaysia. MNP offers specific benefits to mobile users by allowing them to switch service providers or mobile network operators (MNO) and yet retain their existing mobile phone number. The study, therefore investigate the significant factors influencing mobile users to prefer mobile number portability (MNP). Three top Malaysia telecommunication companies (Telco) such as Maxis, Celcom and DiGi were chosen for this study. Faced with a maturing mobile telecommunication market, Telcos cannot overlook the impact MNP has over their brand loyalty. The dependent variable of this study was the competitive advantages of MNP, while the independent variables were features of MNP, loyalty, awareness, attractiveness, accessibility, social and economic factors as well as the MNP performances aspects. 519 respondents using systematic random sampling were utilized for the study. The results suggested that key features of MNP, mobile user loyalty, attractiveness of MNP package as well as the mobile users' interest on the possible economic saving through MNP as significant in influencing preferences for MNP. The managerial implications were discussed to facilitate the MNO in formulating and implementing appropriate marketing strategies to sustain competitive advantage.

Key words: Mobile Number Portability (MNP), Mobile Network Operators (MNO) Telecommunication, Competitive Advantage, Marketing Strategy, Brand Loyalty and Malaysia

INTRODUCTION

The top three telecommunication company (Telco) in the local mobile telecommunication industry are Maxis, Celcom and DiGi. With the local mobile telecommunication market now reaching its maturity stage, the net return on investments in mature markets could be much higher for retention strategies than for strategies to attract new customers, particularly for companies with an established customer base (Ismail). The growth rate in the Malaysian telecommunication sector had been affected badly over the last decade by economic crisis of the late 1990's. Eventually the market growth rebounded when the local economic recovered. However as anticipated, the attractive market growth will attract new player (s) to the industry. Newcomer U Mobile join the industry on 18th September 2007 (www.umobile.com.my). Eventhough the market share of U Mobile is still lagging far behind the top three players, its entrance lead to a smaller size of the market share among existing mobile network operators (MNO).

1.1 Background of Study

1.1.1 Mobile Telecommunication Industry in Malaysia: Summation of Users Nature and Challengers Position

It is remarkable to note that Malaysia lead in the cellular or mobile network market in the Southeast Asia. In 1998, Malaysia became the first country in Southeast Asia to introduce the cellular network (MCMC, 2001). During early period of introduction, mobile phone was considered a status item to own and used primarily by the professionals in Malaysia reflecting their forerunner position in the business world. Reaching maturity stage after more than a decade in Malaysia, the mobile phone that is now considered an essential good among Malaysian from all walks of life and viewed as a must-have convenient and mobile communication tool. Malaysians now prefers the mobile phone rather than the fixed line telephone as a way to be in contact with their family, friends, colleagues and business associates especially when they are on the move.