

An analysis of consumer preferences for Over-the-top (OTT) communications services : the case of Thailand

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1 Objective

This paper examines consumer preferences for voice calling using two methods via a mobile phone—over-the-top (OTT) communications services employing the Internet, and traditional mobile telephony using a cellular network. Due to its two-sided business model, OTT communications essentially offer services to users at no cost. However, there are tradeoffs in using OTT services; for example, service quality is unsatisfactory compared to mobile telephony, and using OTT requires an Internet connection, potentially leading to additional costs. The objective of this paper is to understand consumer behavior in choosing between the two services in different situations of use—formal and casual occasional—and how they prioritize these attributes; service quality, price and Internet connection requirement.

2 Methods

The methodology employed in this study is primarily adopted from previous consumer preference research involving the use of discrete choice experiment (Aizaki & Nishimura, 2008; Confraria et al., 2017). To collect the data, the online survey and face-to-face interview were conducted in Thailand in 2019.

3 Results

444 responses were received, with respondents valuing service quality the most for both occasions, followed by price and then Internet connection. However, in the situation of formal usage, consumers valued service quality to a significantly higher degree than prices compared to casual use situations. Hence, users tend to use different services depending on the occasion of use—consumers tend to call using mobile telephony, the service quality of which is considered to be better, in formal occasions, whereas they use OTT for calls in casual situations.

4 Conclusion

It is found that consumers value service quality the most, followed by price and then internet requirement. However, when technology has developed resulting in OTT's service quality improvement, users may change their behavior in choosing a particular service. Mobile network operators should provide bundling packages for consumers so that they can embrace traditional mobile telephony and OTT. On the other hand, policymakers ought to focus on development of internet infrastructure as overall benefit.

References

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