



PUBLIC CONSULTATION DOCUMENT FOR PREPARATION OF RULES FOR BUNDLES, PROMOTION AND SPECIAL OFFERS

1.0 INTRODUCTION

The Tanzania Communications Regulatory Authority (TCRA) is a quasi-independent Government body, established under the Tanzania Communications Regulatory Act No.12 of 2003, responsible for regulating the electronic and postal Communications in the United Republic of Tanzania.

Recently there has been increased concerns from consumers regarding how telecommunication bundled services are structured and provided to end-users. Another concern is on the treatment of bundled services versus promotion and special offers by services providers.

TCRA has identified issues that need to be addressed to improve consumer experience, induce consumption of telecommunications services, improve assurance of revenue derived from the consumption, promote transparency in the billing, and ensure value for money for the services subscribed.

This consultation aims to improve regulatory framework for the provision of telecommunications services offered as a bundle, through a public consultation process.

A telecommunications bundle means combined services such as voice minutes, data, and Short Message Services (SMS) sold as a single package. These bundles are offered in two ways namely: as a Pure Bundle that consumers can purchase only a bundle product or mixed bundle that offers a choice to consumers to purchase either an entire bundle at (usually) a discounted price or purchase separate services of the bundle.

Bundling as a strategy is used by all service providers to generate more revenue, retaining or increasing market shares and improve customer experience. Bundles when offered at a discounted price, enhance consumer welfare by increase service usage.

Although the economic theory of bundling creates value to service providers, consumers and the economy in general, these gains are easily offset if bundles go practically unmonitored. In the context of competition law, bundling of services without control may cause deterioration of Quality of Service, and incentivize anti-competitive behaviour which includes service offerings below the cost of production. This may have a detrimental effect on industry sustainability.

1.1 Key issues to be addressed under the proposed guidelines for bundles, promotion and special offers, hence the basis for this stakeholders engagement are as follows:-

- a) Automatic renewals of one-time bundles.
- b) Subscription without consumer consent, including lack of consent and retention of customer information
- c) Establish transparency on data consumption when using bundles.
- d) Concerns of over-changing of consumers prompted by rapid depletion of data bundles.
- e) Misleading advertisement of services and unclear terms and conditions.
- f) Bill shock due to automatic migration to pay-as-you-go tariff without consumer consent once units in a bundle deplete.
- g) Consumer awareness on bundled products
- h) Forfeiture of unutilized units after expiry of bundle duration
- i) Introducing metrics for monitoring of bundles
- j) Concerns of cross-subsidization by selling in-bundle data tariff below cost.

1.2 TCRA considers the above as issues of substance that require immediate regulatory intervention. TCRA invites comments from the general public, consumer advocacy groups, and other stakeholders regarding the treatment of telecommunications service bundles. These comments will provide stakeholder views on bundled products and will be reviewed in establishing a comprehensive regulatory oversight and robust monitoring system for the provision of bundled telecommunications services.

1.3 TCRA would like to have your views and comments by 4:00 P.M on **17th February, 2021** submitted to the following address:

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Also, TCRA accepts responses in formats other than email including print, or Sign Language Video in suitable formats such as DVD, or .wmv files.

TCRA reserves the right to publish or make available to the general public any of the received responses unless marked confidential.

2.0 ISSUES UNDER CONSULTATION:

2.1 Duration of promotion, offers and bundled services

The Authority would like to get stakeholder opinions on the shortest and longest time of bundles (duration) as well as minimum and maximum size of bundles (quantity of units) linked to the validity of the bundles, as it will help to set the minimum validity/expiry period of bundles.

- i. What do you propose as the shortest time (duration) and size of bundles?*
- ii. What do you propose as the longest time (duration) and size of bundles?*
You may provide a range for (i) and (ii).

2.2 Billing issues related to over-charging, subscription to service that is not delivered, or abrupt depletion of bundle units.

Overcharging is one of the frequently received complaints. There are instances when customers have complained about being charged and not being provided with the expected amount of service purchased or the subscribed bundle depleted abruptly and not related to the actual consumption made.

- (i) Should there be a compensation scheme for consumers that have been overcharged, subject to verification?*
- (ii) If, yes what should be the structure of the scheme?*
- (iii) What approach to be used to verify charging and consumption of units in a bundle?*
- (iv) What mechanism should be in place to address overcharging and unexpected depletion of bundles (especially data service)*

2.3 Subscription without consumer consent

To minimize incidences in which consumers are subscribed to bundled services without their consent, TCRA intends to impose uniformity and standards that services providers will have to adhere to when subscribing and unsubscribing consumers. Some operators use pop messages to communicate subscription or un-subscription information and at times, following automatic subscription of service the burden of unsubscribing is put on the consumer.

- (i) What structure should the exchange of information be that will guarantee transparency, ease of burden for consumers and retention of proof for a subscription?*
- (ii) What services should the consumer continue to receive from a Service Provider if the subscribed bundle has finished and the consumer has*

not subscribed to additional services? Such as emergency access and any other services.

2.4 Uniformity in accessing bundled products

Consumers access services of different networks using different subscription numbers and methods. Although this introduces a dimension of differentiation of the product, it increasingly confuses consumers and raise switching costs when consumers consider moving from one network to the other by either changing the SIM Card or using Mobile Number Portability services.

- (i) Should there be a uniform number to access information relating to bundle and other services that are similar across platforms?*
- (ii) Is there a need of adopting uniform name across all service providers for bundles which does not expire (e.g. “Non-expiry bundles”).*

2.5 Metrics to be used to monitor bundled products.

To ensure quality services are provided to consumers and accurately verified, TCRA proposes the establishment of metrics which will be the parameters to measure billing accuracy.

What do you propose as measurement parameters and allowable/tolerable variance during verification of actual consumption vs. purchased/subscribed units, against which regulatory action can be taken?

2.6 Clarity of Terms and Conditions for bundled services

There are concerns regarding presence of unclear terms and conditions of bundles, promotion and special offers, including subscribers not fully understand the contents of their bundles and data speeds normally decrease as bundle nears depletion.

- (i) Do you fully read and understand the terms and conditions of a bundle before purchase?*
- (ii) Are the terms and conditions clear and do they provide all information needed to make a rational decision? (for service providers, provide a sample Terms and Conditions)*
- (iii) What approach can be adopted to ensure that consumers read and agree to terms and conditions of the bundles before subscription?*
- (iv) Please write terms and conditions in the bundle, promotion and special offers which you think are unclear and confusing and should be removed/revised immediately?*

- (v) Do service providers provide information regarding data speeds in the bundle consumption information?*

2.7 Number of bundles and options available to consumers

Currently, there is a total of about 754 bundles in the market offered by all service providers, the lowest number of bundles per operator is 24 bundles while the highest is 294 bundles classified into daily, weekly, monthly, 90 days or 180 days bundles. While this information may conveniently be provided to users of smartphones by use of Graphic User Interface (GUI) on an Application, it is inconvenient when this message is presented in text format especially for consumers with featured mobile phones.

- (i) Should there be a limit to the number of bundles that can be easily accessed, and explored by the user before deciding to subscribe?*
- (ii) How many bundles do you propose per service provider?*
- (iii) How long should a bundle stay in the market without being modified (adjust price or quantity of units in a bundle)?*
- (iv) What is the best method of presenting bundle tariff and associated Terms and Condition information to consumers?*

2.8 Frequency of Promotions, special offers and bundling tariff changes

The Authority intends to specify the number of Promotions, special offers and bundles changes so that consumers are not confused and end up choosing what they did not intend.

- (i) What are your views about the appropriate number of promotion and special offers in the market?*
- (ii) What are your views regarding the frequency of promotions and special offers in the market?*

2.9 Knowledge on bundle consumption

Consumers are empowered through the provision of education on the services and products offered; including usage terms and conditions.

- (i) What are your views on the provision of notification at no charge for post-paid and pre-paid users to be based on percentage depletion or bundle units remaining? That is consumers be notified at intervals of 90% and 100% (percentage depletion) or that only informed of the remaining resources (voice, SMS, data) remaining but be notified at least two times before 100% usage so that they have enough time to make and act on their choice.*

2.10 Expiry of bundles and Rollover of unused bundles

Non-rollover of data bundles after the expiry of bundle validity time (duration) is an area complained about by many; it is proposed to introduce rollover of unused data.

- (i) What will be the impact of such a decision on the pricing and consumption of the telecommunication services?*
- (ii) What are your views on having bundles that do not expire?*
- (iii) What are your proposals, including Terms and Conditions for rolling over of data?*
- (iv) What are your proposals, including Terms and Conditions for transfer of data from one user to the other in the same network?*

2.11 Provision of Fair Usage Policy to empower consumer to have necessary information to manage and monitor usage

Regarding the provision of fair usage policy in respect of promotions, offers and bundles, Standard Fair Usage Policy is required to ensure that consumers remain empowered and are able to make informed decisions.

- (i) What should be a Standard Fair Usage Policy concerning the use of bundles?*
- (ii) What should be a composition of the Standard Fair Usage Policy?*

Issued by:

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