

OPINION — GUEST COLUMNIST

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## Business as usual

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The announcement by the Communications Ministry of new rules to open up competition in the mobile telephone market is good news on the face of it as Argentina is very poorly served by the present operators and new competitive players are just what is needed to lower prices and improve customer-service.

The Devil is always in the detail and closer reading of the new rules indicates they will favour cable TV companies such as Clarín Group's Cablevisión which extinguishes any hopes of a new competitive dawn as it is clear it will be business as usual in the mobile market the only difference being new fat cats will be allowed to share the cream.

Giving yet more behemoths a bite of the mobile cherry, especially in the case of Clarin whose multi-sector tentacles are already squeezing hard on consumers' wallets, will not result in reduced prices as leopards do not change their spots, ever.

The four existing mobile operators already collude to set the highest prices the market will bear which disadvantages consumers in general and the poorer classes in particular as they depend on pre-paid mobile communication much more than other classes who have access to landlines and more fulsome financial resources.

If the existing mobile network operators must make room at the table for new players it will not be that they'll accept a smaller share of revenue but will conspire to increase the overall take to maintain their present income and it will be the consumer who pays.

According to Nationmaster.com pre-paid mobile calls in South America are only more expensive in Brazil and Suriname than in Argentina where the cost of a one minute pre-paid mobile call is the 24<sup>th</sup> most expensive in the world which is to say 147 other countries have cheaper pre-paid mobile calls.

Putting the cost of calls to one side the most egregious aspect of the Argentine mobile market, and the rest of South America where the practice is entrenched, is that credit balances in pre-paid accounts (saldo) are snatched by the operator if they are not used within a set period which in any other circumstances would be bald theft.

While a small network maintenance charge can be justified and is fair the *carte blanche* practice is to take the whole unused balance, be it \$10 or \$200 pesos, in a one size fits all approach which ultimately, its unfairness and putative theft aside, is a goldmine for the operators.

Equally reprehensible is the operators' use of 'push' marketing whereby clients are sent text messages (SMS) inviting them to subscribe to a service to which they are then automatically enrolled if the client responds regardless of whether they have accepted or declined.

This writer, in defiance of the proverb 'once bitten, twice shy', has declined push SMS invitations on three occasions and each time been involuntarily enrolled in a service, the last time to receive SMS reports about Justin Bieber, at a cost of \$14.50 pesos per week.

The first sign the game is afoot is a SMS telling you Justin is now sporting dreadlocks then comes another SMS when you try to make a telephone call inviting you to "top-up" as you do not have any credit and investigation will reveal your hitherto more than adequate balance has been gobbled-up by the cost of keeping abreast of Justin's tonsorial fancies.

Telephoning your mobile operator's help centre will do you no good as after you have waited an hour or so for a human to come on the line you will be told that as you responded to the push SMS text you had legally enrolled and the charge against your balance was "correct" the logic of which is so bizarre it could be straight out of Alice in Wonderland.

It is possible to cancel your involuntary enrolment in the service but the \$14.50 peso charge is not refunded as the operators do not give a hoot about the client dissatisfaction this deceptive practice causes as they make millions from it and as I am sure they tell themselves, you cannot make omelettes without breaking eggs.

Also contrary to good customer service is the lack of a micro-charging facility which would serve the interests of the very poor who often need to make a single call or send a couple of SMS and for whom the minimum top-up required exceeds their cash liquidity.

If the government is serious about introducing competition into the Argentine mobile telephone market they need to set rules to ensure it is only independent new players who are allowed to come to the table and not more of the same oligarchs and conglomerates who have a vested interest in monopolistic consolidation and in perpetuating the invidious *status quo*.