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Boom of Telecom Sector in Pakistan and Its Impacts on Pakistani Culture

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Abstract:

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Title Boom of telecom sector in Pakistan and its Impacts on Pakistani Culture.

Problem

Our main research problem is to explore positive and negative effects of telecom boom in Pakistan on Pakistani culture and society.

Purpose

The main purpose of our thesis is to present positive and negative impacts of telecom services on individual's life of a Pakistani with respect to local culture and traditions and to emphasize on the importance of cultural values in marketing strategies.

Target Groups

Our target groups are those international mobile network operators that are currently working in Pakistan market and those who are interested in exploring the Pakistani market. We hope our paper will provide useful information and perspectives for the top management of those companies.

Method

Using the theoretical data, we have presented our research question one with good solid background and then through the use of questionnaire we have gathered the data to analyse the impacts of telecom boom on Pakistani culture and society.

Conclusion

The thesis has provided extensive information about how this boom occurred gradually in Pakistan, present circumstances and situations of the sector and future prospects of this segment in Pakistan. It has also provided information about how Government institutes and policies are playing their role for the growth of the telecom sector in Pakistan?

We have revealed the new businesses that are now running in Pakistan due to the rapid growth of Telecom sector. We have also presented the impacts of telecom boom on the existing businesses and how these businesses are being benefited due to easy access of telecom services to a common person. Then we presented the analysis of our questionnaire that how this boom of telecom sector has changed and affected the Pakistani culture. We have analysed that it is of worth importance to understand these cultural values and social set ups before entering to a new market.

Acknowledgement:-

The most pleasant part of writing a thesis is to acknowledge those who have contributed their efforts to our work.

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BTH, May 2007

Muhammad Umar

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List of Abbreviations:

CDMA	Code division multiple access
CPP	Calling Party Pays
FAB	Frequency Allocation Board
FP	Foreign Policy
HFC	Hybrid Fibre Cable
LDI	Long-distance and International
MNP	Mobile number portability
NTC	National Telecommunication Corporation
PCO	Public call office
PTET	Pakistan Telecommunication Employees Trust
PTF	Pakistan Telecom Foundation
PEMRA	Pakistan electronic media regulatory Authority
PTT	Pakistan telegraphs and telephone
PTC	Pakistan telecom corporation
PTCL	Pakistan Telecom Company limited
PTA	Pakistan Telecom Authority
QoS	Quality of service
SMP	Significant Market Power
US\$	United States Dollar
WLL	Wireless local loop
WTO	World trade organization

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1- Introduction:

In this chapter we will discuss the background of our thesis, purpose of this thesis and we will also present the problem identification as well. Then research questions and target groups will be described. Finally we will present the outlook of our thesis.

1.1 Background

World has become a global village and this is due to prompt, easy and accessible communication. Telecom segment has changed the shape of communication everywhere and this is a hot issue in Pakistan now a days. Telecom sector has emerged as a fast growing industry during past few years and now Pakistan is promising as one of the most progressive country where the number of mobile phone subscribers has reached 40 million. For the reason different companies are being attracted to invest heavily in this division. (Butt 2006)

Due to the enormous competition among different companies of both service providers and mobile set providers, mobile phone is almost in reach of every common man in Pakistan and as a result of this brisk demand, companies are investing seriously in this fragment. Currently there are five major companies operating in Pakistan, Mobilink (www.mobilinkgsm.com), Paktel (www.paktel.web.pk/gsm/), Ufone (www.ufone.com), Telenor (www.telenor.com) and Warid (www.waridtel.com). According to PTA (Pakistan Telecom Authority) telecom companies are going to invest more than USD 2.4 billion just in infrastructure and Mobilink alone is investing around USD 831 million in next three years. Similarly Telenor and Warid, the newly licensed operators are investing around USD 495 million and USD 325 million respectively during 2005-07 in addition to the license fees. Telenor in next 5 years is going to invest approximately USD 1 billion in Pakistan. (Sargana 2005)

Minister for information technology, Awais Ahmed Khan Leghari said the number of mobile phone users in the country runs in millions which indicates improved living standard of the people. He pointed out that telecom sector was in the midst of a revolution with the overall mobile phone subscriber base already hitting 20 million mark and registering a tenfold increase in the customer base which only a couple of years ago stood at 2.8 million. (The News 2006)

Every one from top business executives to daily wagers looks busy on mobile phones in offices, on roads and in market places in the Pakistan. India might be world's fastest growing telecom market but the growth is deeper in Pakistan where a larger percentage of population has a mobile connection. In contrast of a lower per head income and almost equal prices of handsets as well as call tariffs as in India, Pakistan has much higher mobile penetration of about 30 per cent. This is more than double of 14.3 per cent in India. (Indiatimes 2007)

Mobile communication market is one of the most important service markets in Pakistan. This service has changed people's daily life and significantly influenced business activity of organization. The Government has tried to introduce competition and promote private and foreign ownership through deregulation policy in 2003. The policy towards fixed line services has been conservative, while the one towards the mobile services has been open and free. Since the admittance of new cellular technology and new operators, mobile telephony has grown rapidly in Pakistan.

Culture and Marketing

“Too many people don't realize the tremendous importance of making yourself familiar with a society's culture before trying to penetrate it”.

Looking at things from your own perspective and to assume that everyone should understand your product or service wonderful is always easy. This thinking has led to many blunders made by multinationals in the history. It is of extreme importance to follow a few steps when entering a market.

Historical and cultural belongings affect the way of thinking of people. Even simple things like gestures and choice of colours can cause problems if they are neglected.

Try to find out the interests of the society and what really attracts this society.

It has become very common to say now that world is becoming a global village, but instead of this we can't take cultural values as global as each society has its different cultural and traditional values. For successful business and marketing, it is very important to respect local cultures. (Marques 2001)

1.2 Problem Identification

Telecommunication has shown an immense rapid growth in Pakistan and it has become a sizzling concern in different perspectives like economic growth, foreign investments, a great no of newly well paid jobs and new businesses and there has been a great research on all these areas. But a very important thing which we see that this telecom segment and especially cellular one has become an essential part of one's life and people who are using these services can even not imagine living without these technologies. So, it has affected the ways of living of people i-e this telecom has done a great deal with traditional cultures and social interactions of people. These all things affect the marketing strategies of companies as consumer behaviour's knowledge is one the most important factors for successful strategy formation. There has not been too much research on this issue which is a very important one.

So, for these issues we have chosen our research study in the area that how this rapid influx of telecom, specially cellular services have their impacts on social setups and in order to do this we must have a knowledge of background, past and future of this sector in Pakistan.

1.3 Purpose

The main purpose of our thesis is to present positive and negative impacts of telecom services on individual's life of a Pakistani with respect to local culture and traditions and to emphasize on the importance of cultural values in marketing strategies.

1.4 Target Group

Our target groups are those international mobile network operators that are currently working in Pakistan market and those who are interested in exploring the Pakistani market. We hope our paper will provide useful information regarding the importance of culture in doing business and perspectives for the top management of those companies.

1.5 Previous Studies

We tried our level best to find any previous studies regarding our thesis so that we could take help from that and also find the deficiencies in that which must be overcome. We have found some research work done on the topics that how telecom is reducing the poverty in developing countries and some other stuff related to Telecenters in rural areas of Pakistan. But we could not find anything exactly matching our topic and research questions.

1.6 Structure

Chapter 1: We explain the background and purpose of writing this thesis. We identify the problem, describe its purpose and target group, and present the structure of the thesis.

Chapter 2: We will make clear in this chapter the methodology of our research. We will clarify how the main research topic has been chosen, what research questions and our research objective.

Chapter 3: We will present here the theoretical frame work regarding to our research area.

Chapter 4: We will discuss the 1st question of our thesis i-e background, present and future of telecom sector in Pakistan. We'll do this on the basis of secondary data which we have collected from different sources. We will also go for a brief discussion that how business culture has been affected by this telecom boom and it will be on the basis of secondary data.

Chapter 5: In this chapter, Hofstede five dimensional model will be explained with respect to Pakistani culture.

Chapter 6: Here, we'll present the discussion and analysis of our 2nd questions of thesis i-e how this boom of telecom has affected the cultural and social set ups and it will be done on the basis of primary data which we'll collect through a questionnaire.

Chapter 7: We draw a conclusion and make recommendations on the basis of our studies, survey knowledge and theoretical frame work.

2- Methodology:-

Here, we'll present the methodology which we adopted for answering our research questions which we have formulated and presented in 1st chapter. Furthermore, we'll explain that how main topic was selected, how we formulated the research questions. We'll enlighten the way that how we collected the data concerning our thesis. We will also describe the theoretical frame work which we followed during our research and analysis.

2.1 Choosing the Topic

Telecom sector has changed the ways of communication of people around the world and it has shown vigorous growth in Pakistan during past few years. As these services and facilities have penetrated into lives of people, so they are also interfering with the social and cultural setups. For these reasons we thought to choose the topic and our main emphasis was to analyse these cultural values in accordance to marketing and business strategies as understanding of local culture is very important for doing a business in a new place.

2.2 Formulating the Research Questions:

After the selection of the topic, we concentrated ourselves on formulating the research questions which must be worth asking. We found a lot of material from different sources regarding heavy investments by Multinational companies in Pakistan telecom sector and the impacts of this investment on Pakistani economy. It means that a lot of research has already been done in this context already. So, we did not go for these issues and planned to go for some different stuff. During the literature review regarding our thesis, we found that these telecom services have become an essential part of our life and cultural values of people and their social setups are being affected directly by the boom of telecom sector in Pakistan. This is a very important issue and we found that not much emphasis was being given to this issue as compared to other issues although understanding of the local culture is one of the major elements for doing successful business. So, we decided to do a research about the impacts of telecom boom on Pakistani culture. We also found during literature review that business culture of Pakistan has also been affected by these services. So these are our research questions and for understanding all this scenario it was necessary to mention and explain briefly the past, present and future prospects of this segment in Pakistan. So, finally through passing all this way we formulated our research questions.

2.3 Collecting Data:

For conducting a research, two types of data is used i-e Primary and secondary data. We used a combination of primary and secondary data for our research area. This combination of two types of data was thought to be compulsory by us as our question was addressing the impacts on the local culture and societies which of course we could determine through some survey. So, we decided to collect the data through **questionnaire**.

We also got data from secondary resources regarding our research but our mainly focus was on the primary data. During our literature review, we studied books from different authors discussing the importance of culture in marketing. Like work of Grete Hofsted and Philip Kotler was our main source of inspiration. We used BTH library info system to find related articles and journals. We also used web sources to find the views of different Pakistani writers about the Impacts of telecom services on Pakistani culture and society. One of our major sources for Telecom sector information and statistics was official web site of Pakistan telecommunication i-e PTA.

2.3.1 Questionnaire Design:

As we have to collect the data from the general citizens of Pakistan including female, male, teenagers, old and both educated and uneducated, so we kept the questions in the questionnaire very simple and with simple answers like yes and no. (see Appendix1 for details). We tried to keep maximum questions like Multiple Choice Questions, instead of open-ended questions. The reason behind this strategy was that people feel easy to give answers of MCQs as they do not have to think much and do not have to give more time. They just answer by ticking one of the available options. The next challenge was to collect the respondents of the questionnaire. It was very difficult task but the strategy we adopted, proved to be successful.

2.3.2 Reasons of choosing Questionnaire:

Our primary focus of this dissertation was to present the importance of local culture and traditions in marketing telecom services in Pakistan by different operators. For this purpose, we have to find the opinions and thinking of the people who are using these services or who are being influenced by these services. We were to get information like, what the people feel that these services are facilitating them in their lives and what are the problems which they had to come across with the usage of these services. Our aim was to get the information from the people belonging to different pools of life, like urban citizens, rural and town citizens, males and females, educated and uneducated and people of different ages as well. As we were to get respondents from a diverse field, so it was not feasible for us to conduct interviews. Our target was also to get maximum number of respondents, so we decided to design a questionnaire and distribute it through all our possible sources to the people belonging to different parts of life. This was the main reason for choosing questionnaire to collect data through survey. Our respondents were not to be pressurized or forced to answer this questionnaire, they all were to answer it willingly, so in this way we could get maximally appropriate data. As Pakistan is a big country and people of varying cultures are living there and we were to get ideas of people belonging to different ethnic groups.

The focus of our questionnaire is to get an idea that what people think about these services and how this boom of telecom sector has affected their lives. In keeping these all views in our minds, we selected Questionnaire technique to get our required data. We were to get conclusions from this questionnaire like the preferences of people about different perspectives of these services, impacts of these services on individual's lives and what are the clashes which are occurring due to the usage of these facilities and how telecom sector has reshaped their lives. So that on the basis of

this information and our theoretical frame work, we could analyse the importance of culture in marketing.

2.3.3 Getting Respondents:

We are a part of a network society and our main emphasis is to get response from all categories of people i.e. male and females, young and old, well educated and low educated and people from urban and rural areas as well.

We distributed this questionnaire to our friends and to the people whom we are in contact with through internet services like messenger and communities like Orkut (www.orkut.com). We asked these people not only to fill this questionnaire but also get it filled by their family members like spouse, parents, brothers and sisters. In Pakistan we have very strong joint family system, so for the reason it became easy for us to get data from various types of people as our friends and contacts got it to be done by their family members. We have joined different groups on internet like when we were in bachelor; we have a discussion group there. So, we posted this questionnaire there as well and from there we got views of students. We sent this questionnaire to about 300 people and we got 170 responses in time.

2.3.4 Validity and Reliability

The validity of questionnaire depends on reliability. Validity refers to “whether the questionnaire measures what it intends to measure”. Reliability means the consistency of information i-e what responses we get today must prolong over some period of time. (Evensen 2007)

We tried our best to make questionnaire as simple as possible, so that different people could perceive it in the same way and chances of misinterpretation might be reduced. Although on one side people who are well educated feel bound ness with limited options and they could not answer freely about their views in MCQs. But on the other hand, people may perceive differently and answer the questions in misinterpretation. This thing may cause problems and even it is not easy to analyse such information. If the questionnaire comprises of close-ended questions with options like “yes /no /don’t know”, then there is very less scope for the researcher to misinterpret the meaning of answers and it is also easy for the researcher to understand the exact intentions of the respondent. So in this sense, our questionnaire is very reliable. There are some issues regarding validity. Numbers of questions were too much and open ended questions are mostly not answered.

3- Theoretical Framework:-

It is one of the important factors to understand the local culture of a country where any company is going to start its business operations. There are many things which have different meanings in different cultures. So, better understanding of the values of local societies and culture may help to do a business well where as on the other hand lack of information and understanding of the local culture may lead to bad decisions and ultimately bad consequences. According to Professor Geert Hofstede, “Culture is more often a source of conflict than of synergy. Cultural differences are a nuisance at best and often a disaster.” Management is a process which is interconnected with many other parts of life and cannot be isolated separately from what is happening in the society. It interacts with what happens in politics, family, school, government and also related to the religion and local traditions. (Hofstede 2005)

For better understanding different aspects of Pakistani culture and impacts of telecom services on it we followed the “Cultural Dimensions Model” of professor Geert Hofstede which is a framework describing five different dimensions of values between national cultures. Along with this model of cultural dimensions, we used concepts relating the importance of culture in marketing given by renowned authors.

3.1 Culture and Marketing:

During the formation of marketing strategies, companies have to look after a lot of factors. Deep study of local culture and social setups is also one of the major factors which account much in successful strategy formation. Varying types of consumer behaviours are found in different cultures. The study of culture helps to understand the consumer behaviour and in turn assists firms to improve their marketing strategies by understanding issues like:

- The way how consumers think, feel and select between different brands or products.
- The psychology of how consumer is influenced by culture, family and social setups.

Understanding of these issues helps to adopt better strategies by taking the consumer into consideration. By understanding the consumer, firms will be able to make a more informed decision as to which strategy to employ. (Perner [ca.1998])

3.1.1 Culture Impacts Marketing:

According to Kotler, culture is “the set of basic values, perceptions, wants and behaviours learned by a member of society from family and other important institutions.” (Kotler et al. 2004)

Each country has its own set of values and traditions. The companies must know that how consumers in different countries think and use different products before planning

a marketing programme. All the positive and negative impacts which a culture may cause must be identified. There might be different dimensions of culture like the social organization of society (caste system in India and class system in UK), religion, literacy levels, political systems and language. (Kotler et al. 1999)

Each culture has different sub-cultures and groups whose members share common beliefs and behaviours. Companies can get unexpected rewards sometimes by targeting subcultures. For examples marketers always prefer to focus on teenagers as they are trend setters in fields like fashion, music and entertainment etc. (Kotler 2002)

Social factors also influence behaviour of consumers. A person's family, friends and social organizations strongly affect product and brand choices. The person's position within each group can be defined in terms of role and status. A buyer chooses products and brands that reflect his or her role and status. (Kotler et al. 1999)

Cultural Environment:

“Cultural environment is made up of institutions and other forces that affect society’s basic values, perceptions, preferences and behaviours.” People have their beliefs by living in a particular society. These beliefs may be either core beliefs or secondary beliefs. Core beliefs are inherited from parents, reinforced by religious groups, business and government. These beliefs have a high degree of persistence. While secondary beliefs can be changed more easily. Marketers have a chance of changing secondary values but it is pretty difficult to change core values. So, Marketers should have a better understanding of the cultural environment of the country before making any business strategy. (Kotler et al. 2004)

Impact of culture on marketing and business strategies was not given much attention and not well understood until recently. Ignoring culture’s influence has led many companies to operate their operations and marketing centrally. This resulted in decline of profitability instead of efficient output. As centralized control lacks local sensitivity, many companies have observed a decline in their profitability.

For example, Coca Cola decided to decentralize its operations and get close to local markets as its profits were decreasing. Coca Cola’s CEO said “We kept standardizing our practices while local sensitivity had become absolutely essential to success.” Coca Cola’s marketing chief stated that firm’s “big success has come from market where we read the consumer psyche every day and adjust the marketing model every day” (Mooij 2002)

3.2 Cultural Dimensions Model:

For managing and running business in a country, one must have a good knowledge of the local picture and be aware of the fact that the people in other countries may think, feel and act very differently and one may face varying attitudes. Professor Geert Hofstede has presented a theory of Cultural Dimensions in his book “Cultures and Organizations” which helps critically to understand different cultures and it becomes very helpful in making marketing strategies in a better way. This model is based on the five dimensions:-

Power Distance:

“The degree of inequality among people which the population of a country considers as normal”

It means the difference of power and wealth among population of the country. All societies are different with respect to this. But the level of gap in some countries is greater as compared to other ones where it is smaller but it exists in all cultures and societies. In cultures with large power distance, there is respect for old age and status is important to show power. In cultures with small power distance, people try to look younger than they are and powerful people try to look as less powerful. (Hofstede 2005)

Following are some of the important factors, on the basis of which different cultures can be distinguished as large power or less power distance cultures.

Lower Power Distance:

- Privileges and status symbols are not liked.
- Inequalities between people must be minimized.
- Parents and children treat one another equally.
- Hierarchy in organizations is seen as suppressive.

High Power Distance:

- Privileges and status symbols are anticipated.
- Inequalities between people are expected and preferred.
- Parents like respect and children obey their parents.
- Hierarchy in organizations reflects natural differences. (Hofstede 2005)

According to Hofstede, Malaysia scores highest on power distance at 104, Pakistan scores 55, whereas Sweden lies at 31 only. (ITIM [no date])

Individualism verses Collectivism:

“The extent to which people feel they are supposed to be take care for or to be cared by themselves, their families or organizations they belong to”

There are some societies in which individuals are loosely tied with each other and they are supposed to take care of themselves and look after their immediate family only. On the other hand, the societies which we can call collectivistic societies, the

people in these societies are integrated in strong groups and family relations (with uncle aunts and grand parents). They take care of each other without any specific interest.

In individualist cultures, person has his own identity and people prefer explicit and verbal communication whereas in collectivist cultures, identity of a person is recognized by social network which he belongs to and communication is indirect and implicit. (Hofstede 2005)

Following are some of the important factors, on the basis of which different cultures can be distinguished as Individualistic or Collectivistic cultures.

Individualistic Cultures:

- Identity is based on individual.
- I do, therefore I am.
- Task is preferred over relationship.
- Low-context communication.
- Management is management of individuals.

Collectivistic Cultures:

- Identity is identified by social networks.
- I am, therefore I do.
- Relationships succeed over task.
- High-context communication.
- Management is management of groups. (Hofstede 2005)

According to Hofstede, Pakistani culture is collectivistic whereas USA has individualistic culture. (ITIM [no date])

Masculinity versus Femininity:

“The extent to which a culture conducive to dominance, assertiveness and acquisition of things versus a culture which is more conducive to people, feelings and the quality of life”

The distribution of roles between the genders is another fundamental issue for any society. In masculine societies, roles of genders are clearly distinct i.e. men are supposed to be aggressive, tough and focussed on material success, whereas women are supposed to be modest and concerned with the quality of life.

While, femininity are those societies where role of genders overlap. It means both men and women are supposed to be tender, modest and concerned with the quality of life. (Hofstede 2005)

Following are some of the important factors, on the basis of which different cultures can be distinguished as Masculine or Feminine cultures.

Masculine Cultures:

- Distinct gender roles
- Managers are expected to be decisive and assertive.
- Conflicts are resolved by fighting out over issues.
- Stress on equity, competition, and performance.

Feminine Cultures:

- Gender roles overlap
- Managers use suspicion and try hard for consensus.
- Conflicts are resolved by negotiation and compromise.
- Stress is given on equality, solidarity and quality of work life. (Hofstede 2005)

Sweden, Norway and Denmark are feminine cultures whereas Pakistan has masculine culture. (ITIM [no date])

Uncertainty Avoidance:

“The degree to which people in a country prefer structured over unstructured situations”

It deals with the society’s tolerance for unstructured and uncertain situations. It shows that a culture programs its members to feel comfortable or uncomfortable in unstructured situations. Unstructured situations are novel, surprising and different from usual. Uncertainty avoiding cultures avoids such situations by strict rules, security measures and religious believes in absolute truth. People belonging to such cultures are more emotional and motivated. On the other hand, uncertainty accepting Cultures are more open to different kind of unstructured situations. (Hofstede 2005)

Following are some of the important factors, on the basis of which different cultures can be distinguished as High Uncertainty avoidance or Low Uncertainty avoidance cultures.

High Uncertainty Avoidance:

- Many rules
- High stress
- Low tolerance and resistance to change
- People are emotional and aggressive

Low Uncertainty Avoidance

- Few Rules
- Low Stress
- High tolerance and do not resist to change, so innovative.
- People are easy going and controlled. (Hofstede 2005)

Singapore has a low uncertainty avoidance culture whereas Pakistan has a high uncertainty avoidance culture. (ITIM [no date])

Long Term verses Short Term Orientation:

“Long term: values oriented towards the future, like saving and the persistence- short term: values oriented towards the past and present, like respect for tradition and fulfilling social obligations”

Long term oriented societies are characterized by persistence and thrift. Where as in short term oriented cultures people are more concerned with the traditions and they have strong social values. (Hofstede 2005)

4- Boom of Telecom Sector In Pakistan:

In this chapter we will discuss the 1st phase of our thesis i-e background, present and future of telecom sector of Pakistan.

4.1 Background:

Pakistan got its freedom on 14th of August 1947 from British rulers and in 1947 Pakistan's Telecom sector inherited the British Post, Telegraph & Telephone [PTT] Departments. This entity worked with its analog telephone lines for thirty years. This PTT Department was split up into the Telephone & Telegraph Department and the Postal Departments in 1962. In 1991 this was further re-organized through the PTC Act 1991 opening this public sector to the private sector companies. Licenses were granted for non-basic services where the PTT had no experience base. These were Data Network Services, Paging, and Manufacturing of Small Telephone Exchanges. (PTCL History [no date])

Then GOP took many steps for restructuring the telecommunication sector to improve its performance. First of all Government privatized the PTC by redefining its own role from operator to sector policy maker. According to PTC act 1991, T&T department was changed into Pakistan Telecommunication Corporation to provide basic telecommunication services. At the same time, Government of Pakistan continued to encourage private sector and awarded licenses for cellular, pay phones, paging services. The PTC act of 1991 provided facilities to new comers to run their business in telecom sector. Since 1991 the Ministry of Communication started granting operating licenses also for data and Internet services and removed controls on telecom terminal equipment manufacturing. One of the major milestones was achieved by introducing the new legal framework in the form of Pakistan Telecommunication Ordinance in October 1996. Today, this new law is governing the telecommunication sector in Pakistan. Now the Ministry of Communications is responsible for policy and sector monitoring. Then ministry of communication divided the PTC in five departments.

PTA was assigned the responsibility of regulating the telecom sector.

FAB was assigned the responsibility for allocating frequency spectrum and monitoring.

NTC was assigned the responsibility of providing telecom services to public sector organizations.

PTET was created as a trust to take care the problems of the employees of the PTCL. PTCL was created as public sector Company for providing domestic and international telecommunication services and 95 % of the assets and liabilities of PTC were transferred to PTCL and the rest 5 % were divided in other four divisions. (Hasan 1999)

4.1.1 PTCL Creative Destruction. - 1995-2003

In 1997, PTF was formed in order to defend the Data Network sector against private sector data network operators.

By 1999 PakNet / Pak Data Comm. was split off from Pakistan Telecom Foundation to look after the pure Data Network sector.

PTCL launched their private Mobile Network company Ufone to compete with the other private cellular operators like Mobilink, Instaphone and Paktel in 2001.

More recently PTCL is trying to enter the area of Hybrid Fiber Cable (HFC) -TV networks after the initial launch of World Call's HFC networks in Lahore and Karachi.

Arfeen which started with Instaphone Wireless and Super net Data Networks (Frame-Relay Networks) has launched Telecard Pay phone initially using land lines from PTCL. In 2000 it launched fixed wireless (using CDMA technologies) payphones in Karachi under the name "Foree Fone & Na Taar Na Intizzar".

By December 2003 PTCL obtained an extension of the De-Regulation of the Telecom sector deadline set by WTO and March 2003 was the new deadline. (Saeed 2003)

4.1.2 Deregulation of Telecom Sector:

In July 2003 government introduced a Telecommunications De-regulation Law. This allowed and encouraged the foreign companies to come and compete. Pakistan provided them with a highly productive and money-spinning market. The main purpose of the De-regulation Law is to establish of two new categories of basic services licenses: Local loop (LL), for fixed line telecommunication within the fourteen PTCL regions, and Long-distance and International (LDI), for connectivity between regions. There are certain criteria set by the regulatory authorities before allowing an operator to start its operation. There are two criteria for the operators to start operating set by the regulatory authorities. One is the issuance of license and other is the maintenance of QoS (Quality of Service). (Pakistan liberalization of Telecom [no date])

The Pakistan Telecommunication Authority regulates the provision and establishment of new telecommunication services and also monitors the operations and maintenance of telecommunication systems in Pakistan. (PTA History 2005)

Under the new mobile policy, the PTA will grant new licenses for 15 years period (Mobile Cellular Policy 2004, p.9) and two new Mobile network Licenses have been allotted to M/s Telenor and Warid telecom against an amount of US\$ 291 million each through an open auction (Industry analysis Report 2004, p.7).

The Mobile operator Licenses will include a coverage obligation. In order to ensure this obligation, a Licensee will submit a Performance Bond. The value of the bond is fixed at USD 15 million for new entrants. This bond will be redeemed after the achievement of coverage targets. Under the policy, a new entrant would be obliged to cover at least 70% of Tehsil5 headquarters in four years with a minimum of 10% tehsil coverage in all the provinces of Pakistan (Mobile Cellular Policy 2004, p.9-14).

The total numbers of tehsils in Pakistan are 402. (Population Census Organization 1998)

A number of incentives have been promoted by PTA during the past three years, aiming to reduce mobile network operators' input cost and to induce impetus of growth of the sector in Pakistan. Calling Party Pays (CPP) regime was introduced in year 2001. For new entrants, annual royalty has been cut from 1.5% to 0.5% of annual gross revenue minus inter operators payments. This annual royalty reduction is also applicable to the existing operators when they will renew their licenses. (Annual Report 2003-04 2005,p.13)

Mobilink is the brand name created by the Pakistan Mobile Communications Limited, which commenced operations in August 1994. Ufone is the brand belongs to Pak Telecom Mobile, starting in January 2001.

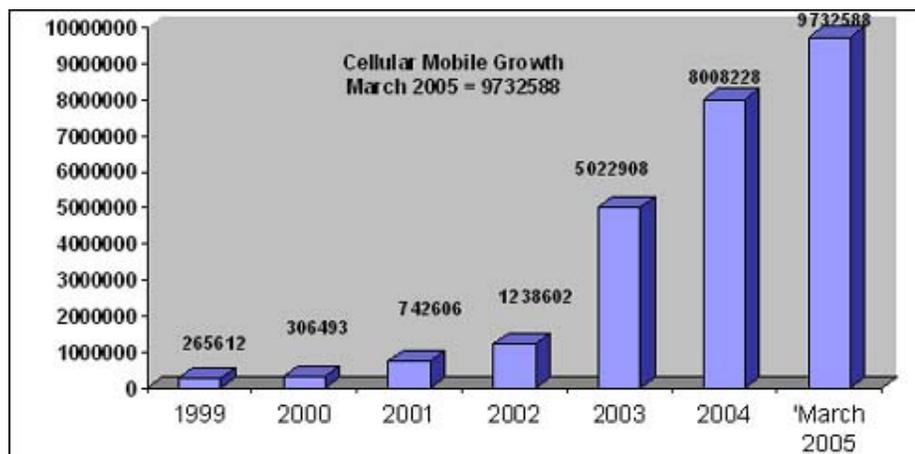
Instaphone brand is owned by Pakcom Ltd. Instaphone. Paktel Ltd. has the brand Paktel, which began in October 1990, and the new brand Telenor has come into the market in March 2004. (PTCL Agenda 2004)

In 2003, Pakistan opened the telecom market to private operators in the sector of fixed line and cellular as well. Telecom regulator also introduces wireless local loop technology in the country. Due to these regulatory policies, competition occurred in the all segments of the telecom sector and resulted in lower tariffs and cheaper handsets. Due to this, Pakistani people jumped on to the cellular services (Sargana 2006)

4.1.3 Cell Phone Industry

As Al-Warid of UAE began its working in Pakistan, a new phase of development started in the cell phone industry in Pakistan. Although, Telenor has already revolutionized the out look and functioning of cell phone industry in Pakistan. There were 9.732 million Cell-phone subscribers in Pakistan in 2005.

Figure 1: cellular Mobile Growth



Source: (Pasha 2005)

In 2005 four old companies including Mobilink, Ufone, Paktel and Instaphone and one new i-e Telenor were providing Cellular services in Pakistan. Mobilink was enjoying the status of Significant Market Power (SMP), with 6.019 million subscribers and Ufone with 2.147 million of subscribers is number two in the row. Paktel just switched over from AMS to GSM system and was striving hard to capture his market share. Insta was having 0.453 million, Paktel (AMS) 0.337 million and Paktel GSM 0.448 million subscribers. With a total of 9.732 million cellular mobile phone subscribers market was growing at a miraculous rate.

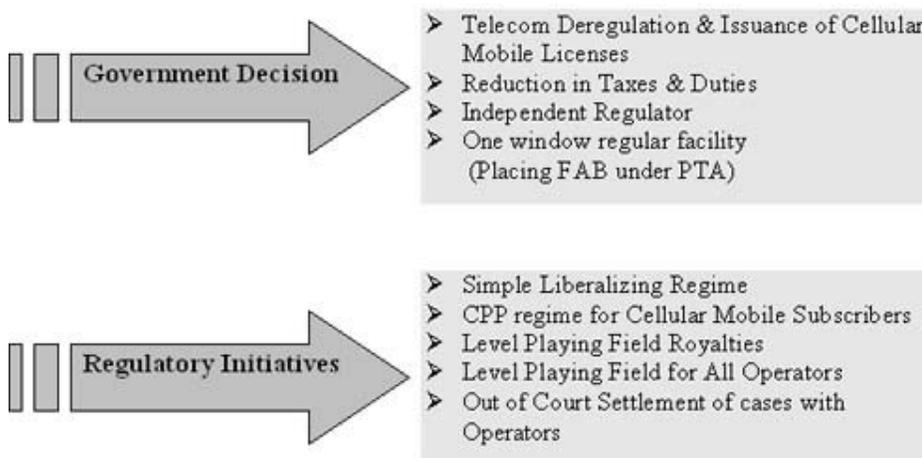
Figure 2: total number of cellular subscribers.

Cellular Subscribers till 31 March 2005	
Insta	543681
Mobilink	6019225
Paktel AMPS	323572
Paktel GSM	448342
Ufone	2147768
Telenor	250000
Total	9732588

Source: (Pasha 2005)

The PTA has been striving hard and trying its level best to create level playing field in the Cellular Mobile industry.

Figure 3: Drivers boosting cellular growth



Source: (Pasha 2005)

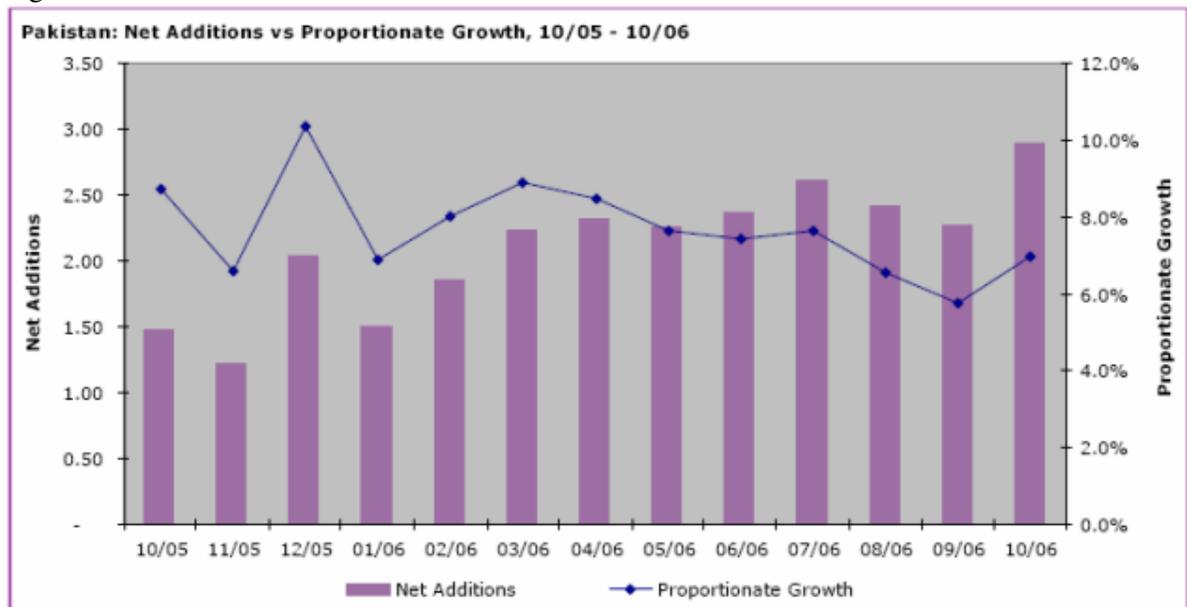
Improved quality of service with availability of high quality value added services to the common man at affordable prices brings the cell phone industry in a new era. The cell phone Industry has reached to the level of take-off and entered into a new phase where investors are keen to invest and subscribers are happy to avail the quality services at reasonably competitive prices. (Pasha 2005)

4.1.4 Cellular Growth:

Mobile customers in Pakistan grew in number to 44.35m at the end of October 2006 from 41.46m at the end of September, leaving net additions for the month at 2.89m - the best ever in the history of the market. Proportionate monthly growth in October was 7.0%, bucking the trend established in August and September which seemed to suggest that the market was heading for a phase of sub-5% monthly growth.

October's performance increased the market's rolling 12 month net additions by 1.41m, from 24.54m for the 12 months to 30th September 2006, to 25.95m for the 12 months ending 31st October. However, proportionate annual customer base growth fell in the month from 145% to 141%, a natural progression as the market finally moves out of its early growth phase.

Figure 4: Net Addition of subscribers



Source: (Themobileworld 2006)

Penetration in Pakistan stood at the very upper end of the first quartile at the end of September, and was well into the second quartile by the end of October, with an increase of 1.7 percentage points in the month. It took almost 16 years to break through the 25% barrier, but if the recent growth trend continues it is likely to take barely 16 months to get to 50%. (Themobileworld 2006)

4.1.5 Current statistics:

The Pakistan Telecommunication Authority (PTA) has recorded a total of 55.62 million mobile subscribers in Pakistan as on 31 March 2007. Comparatively, the number of mobile subscribers totaled 52.88 million in February 2007. Mobilink had the highest number of subscribers with 24.65 million subscribers, followed by Ufone with 11.60 million subscribers, Telenor with 9.07 million subscribers, Warid with 8.96 million subscribers, Paktel with 1.03 million subscribers and Instaphone with 0.31 million subscribers. The mobile density was 35.79 in March 2007 compared to 34.03 in February 2007. (Telecompaper 2007)

Figure 5: Number of subscribers for different cellular companies.

	Mobilink	Ufone	Paktel	Instaphone	Telenor	Warid	Total	Growth Rate
2000	114,272		80,221	112,000			306,493	15.39
2001	309,272	116,711	96,623	220,000			742,606	142.29
2002	800,000	350,000	218,536	330,000			1,698,536	128.73
2003	1,115,000	550,000	319,400	420,000			2,404,400	41.56
2004	3,215,989	801,160	470,021	535,738			5,022,908	108.90
2005	7,469,085	2,579,103	924,486	454,147	835,727	508,655	12,771,203	154.26
2006	17,205,555	7,487,005	1,040,503	336,696	3,573,660	4,863,138	34,506,557	170.2
July-2006	18,321,599	7,884,703	1,121,821	316,000	3,887,774	5,246,565	36,778,462	-
Aug-2006	19,181,846	8,356,668	1,458,008	302,000	4,262,599	5,632,685	39,193,806	
Sep-2006	20,315,739	8,860,406	1,507,446	285,000	4,597,008	5,936,603	41,502,202	
Oct-2006	21,273,333	9,032,745	1,557,418	262,000	5,172,966	7,054,115	44,352,577	
Nov-2006	22,034,166	9,646,958	1,384,534	250,000	5,833,071	7,276,533	46,425,262	
Dec-2006	22,375,404	10,016,897	1,327,580	329,581	6,624,896	7,614,778	48,289,136	
Jan-2007	23,228,708*	10,556,563	1,055,134	320,208	7,607,269	7,915,591	50,683,473*	
Feb-2007	23,882,013	10,886,123	1,030,883	314,871	8,344,570	8,425,693	52,884,153	
Mar-2007	24,648,917	11,597,183	1,032,982	310,756	9,070,802	8,956,461	55,617,101	

Source: (Telecom Indicators 2007)

Figure 6: Fixed Line Subscribers

	PTCL	NTC	Brain Limited	World Call	Union Communication	Total
2000	3,053,460				-	3,056,460
2001	3,252,518				-	3,252,518
2002	3,655,474				-	3,655,474
2003	3,982,783	64,640			-	4,047,423
2004	4,428,900	73,330			-	4,502,230
2005	5,190,899	81,027	1,520	4,100	-	5,277,546
Jun-06	5,128,442	92,163	5,880	13,327	200	5,240,012
Sep-06	5,052,470	94,713	5,880	9,535	200	5,162,798
Dec-06	5,074,571	94,713*	4,877	9,771	1500	5,185,432

Source: (Telecom Indicators 2007)

We have been discussing till now the story of start of telecom sector from its birth to the present level which it has achieved by passing through various stages. Telecom sector of Pakistan has shown the highest growth rate in the region as compared to neighbouring countries.

4.2 Future perspectives:

An important issue of future concerns is to explore more market for this telecom sector in Pakistan and that is the rural area of Pakistan. According to estimation, 60 to 70 percent of the population in rural areas has no access to telecoms services. According to the De-Regulation Policy, PTCL is obliged to install not less than 83,000 new lines per annum in rural and under served areas until end 2008. PTCL plans to widely adopt CDMA WLL to accelerate build-out in rural areas. (Zita 2004)

For providing the rural areas with latest telecommunications and internet facilities, Pakistan Telecommunication Authority (PTA) has launched a Telecenter project called “Rabta Ghar” all across the country. Under the scheme, 400 Telecenters will be established in the first phase for which the equipment worth Rs. 50,000/- each will be provided free of cost. A “Rabta Ghar” (Telecenter) is a small business setup that provides PCO, Internet, Fax, Printing and Scanning services to small communities. (Mehran 2005)

4.2.1 Healthy Competition:

Healthy competition among different operators is a very necessary factor for continued growth of the industry. Following are some major elements which are playing as catalyst for vigorous competition.

4.2.2 MNP:

Mobile Number Portability (MNP) is the ability of a mobile subscriber to retain his/her subscriber number when changing network operators within a country. Mobile Number Portability is essential in order to introduce healthy competition, improve customer service quality among the different cellular mobile operators. Mobile Number Portability allows user to keep their mobile number when changing operator provide significant benefits.

There are three types of mobile number portability:

Location Portability - This enables a mobile subscriber may move from one location to another without changing its mobile number;

Service Portability - This enables a mobile subscriber to keep the same mobile number when changing different telecom services;

Operator Portability: This enables a subscriber may switch mobile operator without changing its mobile number.

In most of the countries, Location Portability and Service Portability are not enforced by the regulator and only Operator Portability is implemented due to following reasons:

- Operator Portability is considered essential for fair competition among mobile operators;
- Location Portability and Service Portability are typically treated as value added services;
- Implementation and operation costs can be significantly reduced if Service Portability and Location Portability are not considered; (Introduction 2007)

This MNP facility will affect the future of various different operators working in Pakistan as Chairman PTA Maj. Gen (R) Shahzada Alam Malik has said that Mobile Number Portability (MNP) has been introduced in Pakistani market to bring further competition and to improve the quality of service in cellular mobile sector. (Mehran 2007)

4.2.3 New Technologies:

Some new technologies like 3G, IPTV and VOIP will also play a major role in competition.

3G:

3G is third-generation technology in the context of mobile phone standards. The services associated with 3G provide the ability to transfer simultaneously both voice data (a telephone call) and non-voice data (such as downloading information, exchanging email, and instant messaging). In marketing 3G services, video telephone has often been suggested as the killer application for 3G. (3G [2007])

Chairman Pakistan Telecommunication Authority (PTA) Major General (Retd.) Shahzada Alam Malik has said that PTA would continue to introduce latest telecom technologies for the benefit of the consumers and shifting of cellular mobile technology from 2nd Generation to 3rd Generation would take place within due course of time. PTA is putting every attempt to bring home latest cellular mobile

technologies including the 3rd Generation. He said that it has always been difficult to introduce new Telecommunication methods and technologies but like in the past, PTA would facilitate all operators to switch over to the latest technologies. (3G cellular technology in Pakistan 2007)

IPTV:

IPTV is an important part of offering Triple Play – a combination of phone, television, and internet services. Pakistan has the elements in place to become a part of this new world experience. In the past, the country has lagged behind the rest of the region in broadband availability and especially in cost. It looks like the situation is set to change over the next few years due to policy and regulatory changes. Several companies are already in the process of preparing to offer the internet television services. IPTV will play a critical role in healthy competition. (IPTV watch 2007)

VOIP:

VOIP is voice over IP, the routing of voice conversations over the internet or through any other IP-based network. It is one of the most explosive new areas. It is exciting because for the first time in history, customers have a choice in the service provider they use for their local and long-distant phone calls. (Vohra 2007)

Brain Tel is serving as Pakistan's first private sector telecommunication company which has started services of VOIP. (Braintel 2007)

4.3 Future expectations:

The current situation of telecom in Pakistan clearly indicates the success of policies adopted by the government of Pakistan in Telecom sector. Today, we see telecom industry as one of the most booming sector of Pakistan. Hence, the current situation is attracting more investors toward Pakistan. The advancement in the Telecom sector has also contributed in stabilizing the economy to an extent. Apart from all this continuous effort is still required from the government in order to keep the foreign investors attracted towards the Pakistan.

Pakistan telecom sector has witnessed steady growth over the past years and it may absorb 5-7 billion dollars investment during the next ten years. (World IT Report 2003)

According to the research analyst at RNCOS, the reduction in the cost of the handsets will add new subscribers, especially from the rural areas. However, like that of the saturated markets, if the mobile operators want to avoid just competing on price, they need to compete on excellent service and innovative features. (RNCOS 2007)

On the latest report we find PM of Pakistan saying that the telecom sector getting negligible investment only a few years back has attracted \$9 billion foreign investment in the last three years and expect to get another \$4 billion during the next three to four years. (The News 2007)

Now we will shortly describe here the impacts of telecom boom on business culture in Pakistan in a sense that what new major businesses have been started due to this and a

brief overview that how it has changed the ways of doing businesses which are already running?

4.4 New Businesses:

There are no of new businesses which have been introduced due to telecom boom in Pakistan like business of Call centers, Mobile sets, VOIP, Telemarketing, Telecards, Telecenters, and Payphone (WLL) etc.

4.4.1 Mobile Hand Sets:

This is obvious that whenever someone will like to opt for cellular service, he will have to buy a hand set. Increasing cellular density and expansions on the part of local operators drives the increase in the import under telecom head including cellular phones and other apparatus. So, a complete chain of a business has been built from multinational companies and importers to gross route level i-e retailers. According to the data provided by the Pakistan Federal Bureau of Statistics (FBS) the country, during March imported \$96.865 million worth of mobile phones, which was 15.31 percent up as compared to \$84 million in March 2006. While the other telecom related apparatus accounted for \$123.145 million, 10.35 percent down as compared to \$137.357 million in March 2006 and 42 percent up as compared to \$86.478 in February 2007. Besides the service and the technology was getting cheaper day by day and a new mobile phone set could be purchased for less than Rs 2,000. In order to meet the demand, the cellular sets are being imported mainly from China and USA and the rest of the world as well. (Mirza 2007)

Now take a look at some statistics about Pakistan's mobile hand sets market. During 2005-06 the total value of handsets imported in the country crossed US\$1 billion.

The mobile handset market is projected to grow by 25 percent annually.

About 800,000 handsets are imported every month.

There are about 15000 cell phone retailers.

Four major players dominate Mobile Phone Handsets market: Nokia leading with 55 percent, Sony Ericsson 22 percent, Samsung 17 percent and Motorola 5 percent. (Pak Tribute 2006)

The price of hand sets is one of the most important factors for mobile growth. We have latest glitzy models available in Pakistan. Camera phones became popular very quickly and music phones followed soon. Every day new models of handsets are coming in the market and people also rush behind them as mobile set has also become a status symbol in Pakistan and mobile hands set makers are taking an advantage of this thing. (Wordpress 2006)

Once seen as luxury items, mobile communication is now becoming a necessity. So for this reason mobile hand set market is also expanding continuously. In Pakistan people do not have well per head income, so things are not replaced if they get some problem, instead it is preferred to get them repaired. There has become a special market for second hand mobile sets for sale and purchase purposes and a lot of manpower is engaged in mobile repairing purposes as well. Special courses are being

taught in the institutes for mobile repair and people are getting employment after doing these courses.

4.4.2 VOIP:

Voice over internet protocol (VOIP), is a technology that allows you to make voice calls using a broadband internet connection instead of a regular (or analog) phone line. Some VOIP services may only allow you to call other people using the same service, but others may allow you to call any one who has a telephone number including local, long distance, mobile and international numbers. Some VOIP services work only on your computer or a special VOIP phone; other services allow you to use a traditional phone connected to VOIP adapter. VOIP services convert your voice into a digital signal that travels over the Internet. If you are calling a regular phone number, the signal is converted to a regular telephone signal before it reaches the destination. VOIP can allow you to make a call directly from a computer, a special VOIP phone, or a traditional phone connected to a special adapter. In addition, wireless "hot spots" in locations such as airports, parks, and cafes allow you to connect to the Internet and may enable you to use VOIP service wirelessly. (FCC [ca.2003])

If someone is interested to make a call to Pakistan for a nominal cost, it is worth knowing about VOIP. VOIP is the future of communication. The main attraction of VOIP is its nominal cost compared to conventional phone rates and the freedom of being able to access your communication anywhere Internet is available. VOIP has come a long way in the recent years with great improvements in quality and reliability. (VOIP 2007)

Now let's have a look at the current situation with VOIP in Pakistan. For years and years PTCL has been enjoying monopoly on international call rates, but now VOIP service providers like braintel in Pakistan has changed the situation and people are preferring to use their service due to low cost. (VOIP 2007)

So, this VOIP is becoming popular and it will be a good business of future to invest and this all is just because of progress in telecom sector. Some new operators are looking to deploy IP-based networks and PTA is working on the necessary arrangements to tackle issues of Qos and costing methodologies. (IP telephony 2007) Market for VOIP services in Asia continues to grow and total revenue is expected to rise from nearly US\$ 4.2 billion in 2005 to dollar 12.9 billion by 2009. (IIR Telecoms 2007)

4.4.3 Call Centres:

A call centre is defined as a unit that has adequate telecom facilities, trained manpower and access to database that provides information to customers. The advancement in telecom technology has made it possible for the person handling a call to be anywhere, provided communication and interaction is properly handled. (Ayub 2004)

A call center is a centralized location for the processing of calls originating from many different places. If you have ever called your mobile company's customer support, you have interacted with a call center. Although synonymous with toll free

and UAN numbers, call centers of the day extend to provide a much wider scope of services compared to call centers of just a decade ago. Call centers can be useful for providing customer support, inbound sales, order taking, credit verification, outbound telemarketing and much more. Companies big and small are finding new and innovative ways of using call centers to improve services and reduce costs. Since the advent of Voice over Internet Protocol (VOIP) and the availability of broadband to the average consumer, the scope of these highly profitable businesses is growing in Pakistan. Low cost bandwidth is definitely the driving factor in the rapid spread of these businesses in Pakistan. According to a study by PSEB (Pakistan Software Export Bearue), Pakistan has 80 international registered call centers operating in Pakistan with the number growing daily. (Khan [ca.2006])

Types of Call centers:

International call centers:

These call centers work with a network of offshore operations in different countries. Round the clock working hours offer the customers the advantage of 7*24*365.

Domestic call centers:

These involve an outsourcer who has call center locations around native country for redundancy. (Majeed 2005)

Some 120 centers have opened in Pakistan in the past two years. Today they employ 3,500 people, and that number is expected to grow by 60% a year. (Business Week 2005)

"The growth of call centres is not really directly indicative of growth in the IT sector; more so in the IT-enabled services and telecom sectors," said Jehan Ara, President Pakistan Software Houses Association (Ayub 2004).

So, a number of call centers are working in Pakistan now and generating revenue for Pakistan and a lot of people are getting jobs in call centers and all this has become possible due to lower cost of international and national calls and boom in telecom sector and VOIP technology as well.

4.4.4 Telecenters:

Pakistan is an agricultural country as 61 percent of the population lives in villages, and agriculture accounts for the largest share of gross domestic product (GDP), contributing about 24 percent to the economy and employing 48 percent of the total work force. There are currently over 50,000 villages in Pakistan which have a population between 100 and 7,000 inhabitants. Urban population of Pakistan is now enjoying the fruit of telecom services; it is also need of the time to facilitate rural areas with these facilities to bridge the vast information gap between the two communities. (Mahmood 2005)

It may be difficult to provide telephone facilities to an entire village in a developing country; a tele-center can effectively bridge the communication gap.

A tele-centre is a publicly accessible place with a range of computing and communication equipment. Basically, it provides multiple telecom services such as telephone, fax communication, e-mail and Internet access, computer usage including

scanning and printing, photocopiers and a mobile cellular telephone if cell coverage is present. According to international standards, tele-centres serve two major purposes: general access to basic telephone services for rural communities and the provision of various ICT services such as access to Internet. (Mehran 2005)

The first tele-center was established in mid 1980s in a rural community in Sweden to provide services. (Colle & Roman 2003)

PTA has launched a project called “*Rabta Ghar*” through out the country. Under the scheme, 400 tele-centers will be established in the 1st phase. So it’s going to be a chain of new business in Pakistan in near future due to which many un-employed people will be engaged in their own businesses and population of rural area will be connected with the other areas. A “*Rabta Ghar*” (Telecenter) is a small business setup that provides PCO, Internet, Fax, Printing and Scanning services to small communities. A “*Rabta Ghar*” owner can earn approximately Rs. 5,000/- per month. (Deputy Director 2007)

So, establishment of tele-centers can be seen as a new emerging business in Pakistan due to boom of telecom sector in Pakistan.

4.4.5 Others:

Some other businesses like tele-marketing, tele-cards and Payphone are also being introduced in even remote areas of Pakistan and its all happening due to the availability of telecom services everywhere in Pakistan. A lot of companies are offering different pre-paid calling cards with competitive rates like Big Time, Call point, Call mate, Hello Calling Card and PTCL Calling card etc. (Emarkaz [no date]) Many firms are getting their business in tele-marketing and this is also due to the availability of telecom services to every one.

4.5 Effects on existing Businesses:

As we have discussed earlier that there are a number of new businesses, have been introduced due to the telecom boom in Pakistan, meanwhile this boom also affected the existing business. And existing business are progressing more due to this new technology. We will see a few of them here.

4.5.1 Banking:-

Earlier the banking was just confined to the individual branches and the individual banks. But now online banking is becoming more and more popular. Now people can access their accounts from the remote locations. They just don’t need to go to their respected branches for the transactions. (Mahmud 2005)

Online banking was the first step towards the use of technology in banking. Now people can do transactions through their mobile phones. People can pay their utility bills through the simple method from their mobile phones. The chances of bank robberies would go down automatically and bank customers would be more secure and safe in making banking transactions. It not only saved cost but also provided

convenience for the customers as they are now able to carry out transactions from their place without travelling to the nearest bank branch. (Hussain 2005)

Telemarketing is also very common among different banks in Pakistan to attract the customers to buy the products of the bank. So this is made possible just because almost maximum people in Pakistan are having access to telecom services especially cellular one and banks can reach them very easily.

4.5.2 Agriculture:-

Telecom also affected agriculture industry of Pakistan. Earlier the farmers had to travel to different urban areas to sell out their products through some middle man. Due to which they were not earning the right way. But now they can easily get access to all the markets and sell their products. Telenor is also launching “APNAKISAN” scheme through which people can call to some specific number and can get the information about the crops about the prices. (Cellular News 2007)

By the boom of telecom and development of the tele-centers in the rural area, farmers are getting more benefit than that of before. Now they can easily get market information, supplier’s information (chemical, pest and disease control), indigenous knowledge and better farming methods. Support programs and services, quality improved (seeds and animals breeds) are some of the other information that can be easily accessed due to the telecom. (Ansari 2006)

4.5.3 Software and IT Industry:

Telecom Sector and Software industry are closely related and telecom growth has boosted Software industry in Pakistan. Minister for Information Technology, Awaiz Ahmad Khan Leghari said “Given the expansion and growth of the telecom sector, it is high time that the software industry concentrated its resources on developing expertise and domain knowledge within the telecom sector. It is but natural that the dramatic growth in the telecom sector has some synergies with the software industry in the country. Now that it is clear that the telecom sector is growing rapidly, and that international telecom manufacturers and operators are all setting up offices in Pakistan, it makes sense to focus our energies on developing solutions that can be piloted locally and subsequently marketed internationally once they have been successfully implemented within Pakistan,” (Pakistan Times 2005)

There are some major steps from telecom sector which helped in powering IT and Software industry growth.

Bandwidth costs reduced, from \$ 60,000 to \$ 6,000 a month for E1 circuits.

Activation of 155 M bits IP connectivity.

Deregulation of Internet delivery on Cable TV has been granted full permission.

License processing time period for telecom services reduced to 7 days. (Knowledge management 2006)

So, it becomes obvious that telecom boom has boosted the IT and Software industry.

4.5.4 Others:

Telecom services have enhanced productivity of a lot of businesses and made their access easy, any where and any time. Organizations are facilitating their employees with mobile phones so that they can be accessed any time if needed. People related to different businesses like trade, stock exchange, security services and even small shop keepers are getting advantage from blessings of the telecom services.

These services are becoming essential for small and large businesses alike. It has affected to the grass root level like a fisherman returning with their catch can now find the prevailing market prices before reaching shore in order to get the best price. Small tradesmen like carpenters, plumbers, can connect with their clients, going directly from one job to the next and spawn more businesses.

5- Hofstede Five Dimensional Model and Pakistani Culture:

Firstly we will describe Pakistani culture and then we will map it according to Hofstede's Cultural Dimensions Model and the importance of culture in marketing.

5.1 Culture and Society

Culture is defined as the shared patterns of behaviours and interactions, cognitive constructs, and affective understanding that are learned through a process of socialization. These shared patterns identify the members of a culture group while also distinguishing those of another group.

"Most social scientists today view culture as consisting primarily of the symbolic, ideational, and intangible aspects of human societies. The essence of a culture is not its artefacts, tools, or other tangible cultural elements but how the members of the group interpret, use, and perceive them. It is the values, symbols, interpretations, and perspectives that distinguish one people from another in modernized societies; it is not material objects and other tangible aspects of human societies. People within a culture usually interpret the meaning of symbols, artefacts, and behaviours in the same or in similar ways." (Banks 1989).

5.1.1 Pakistani Culture

The culture of Pakistan has a great influence of the cultures of central Asia, India and the Middle East. Pakistan has a rich cultural and traditional background going back to Indus valley civilization. The region of Pakistan has been invaded in the past, occupied and settled by many different people, including Dravidians, Aryans, Greeks, White Huns, Persians, Arabs, Turks, Mongols and various Eurasian groups. And indeed the region has formed a distinct cultural unit within the main cultural complex of South Asia from prehistoric times. There are differences in culture among the different ethnic groups in matters such as dress, food, and religion, especially where pre-Islamic customs differ from Islamic practices. The cultural origins come from the civilizations of North India and eastern Afghanistan, with significant influences from Persia, Turkistan and Hellenistic Greece. However, it was the first part of the subcontinent to receive the full impact of Islam. Hence it has developed an identity of its own. (Culture of Pakistan 2007)

There are five main ethnic groups in Pakistan and these are Punjabi, Sindhi, Pashtun, Muhajirs and Baloch. Languages are the most common identity of ethnicity in Pakistan. There are more than twenty languages that are spoken in Pakistan, but the most common languages are Punjabi, Sindhi, Urdu, Pashto and Balochi. Urdu is the official language and can speak and read all over the Pakistan. English is the medium of education in most of the schools and universities; therefore it is a de facto national language of Pakistan. (Library of Congress 2005)

Pakistan becomes the world's sixth most populous nation with a population of more than 162 million of which 70 % lives in rural areas and remaining 30 % is in urban areas.

The legal work time is 48 hours in a week and the monthly minimum wages is US\$ 50 to US\$ 75 of an unskilled labour and the highest pay of a managing director is from US\$ 4000 to US\$ 8000 approximately. (International Labour Organization 2005)

The Pakistan Literacy rate is low as compare to other developing countries. The literacy rate is 48.7% of total population in the year 2007. There are 35.2% female can read and write and 61.7% male can read and write. There is a remarkable difference between both sexes. (CIA world Fact book 2007)

Globalization has increased the "Western culture" influence in Pakistan, especially among the well-off, who can easily acquire Western products such as television, media, and food. There are many western restaurant chains can be found in the major cities. Pakistan currently ranks 46th on the Kearney/FP Globalization index in the world. Pakistan is a developing country but its rapidly growing in many fields and business conditions are getting feasible and favourable for investors there day by day. Especially there are more than 50 different banks currently working in Pakistan. There are many different heavy industries working here and trade is also very common. Now software industry and telecom related business are rapidly grabbing the market. (Pakistan 2007)

The direct translation of Pakistan's name means *land of the pure*, implying spiritual purity. The roots of this spirituality would be based on the Islamic faith, which prescribes strict sexual conservatism, especially when compared to the west. Therefore, the following norms of a western society are usually **strict** cultural taboos in Pakistan.

1. Public displays of affection, even by married couples. This however varies from place to place.
2. Consumption of alcoholic beverages. (Having alcohol in public is illegal). But wine shops, especially in Karachi and the Sindh province and Islamabad operate. However, there are no many bars.

Some strict cultural taboos in WEST are norms in Pakistan, such as:

The staying of children in their parents' house till a certain age. In Pakistan, daughter is supposed to get married between the ages 18 to 25, and move in with her husband and his family (in some of the cases) after marriage. But at least one of the boys always stays - acting as the parents' social security and taking care of them in their old age, since there is no government to run an official 'social security' system that is administered. This being the reason for the commonly strong desire in Pakistani parents to have sons as compared to daughters. In fact, if the eldest son moves out of his parents' family home and gets a place of his own, the move is usually considered

highly offensive and insulting to the parents. It therefore, only rarely happens, especially if the son is an only child or an only son. (Pakistan 2007)

5.2 Hofstede's Cultural Dimensions Model:

Power Distance:

There is unequal distribution of power and wealth among the people of Pakistan and it causes an increase in power distance. (ITIM [no date])

This unequal distribution of power and resources exists in local societies and private and government organizations as well. Telecom sector has also been facing the situation like this.

Before the arrival of cellular services, PTCL was the only telecom services providing company in Pakistan. In Urban areas and especially in big cities almost everyone had to have a PTCL connection to mainly contact with their families and friends as there was no other option available at that time. But in rural areas where more than 60% of Pakistani population lives, PTCL connections were merely being used. The reason was that the people were poor and due to the monopoly of PTCL the connection fees was very high and people were unable to afford the connection of telephone. Another issue was that it was expensive for PTCL to take the copper wires to every individual village. (Mahmood 2005)

This indicates a clear distinction of unequal distribution of power and resources. Pakistan is a developing country and it is difficult for many people to afford the latest mobile models. In a society where an individual strives to earn few rupees to ensure the continuation of life for him and his family, the sight of some of people having expensive and attractive devices is simply widening the gulf between have and have not's and beginning to re-shape a community totally divided on the basis of monetary considerations. The end result will simply be a total aggression towards this "In Crowd" leading to snatching and stealing by force by those who cannot afford or even see the sight of un-just distribution of wealth as is being witnessed now in different parts of the country. The consequences are leading towards destruction of moral values of social life. (Zafar [ca.2006])

One important thing is that in cultures of large power distance, people spend more time with their family members whereas in cultures of low power distance, people spend more time on organized leisure activities and as Pakistani culture lies in the dimension of large power distance, people spent most of their time with their families and this factor must be considered during marketing strategy formation. (Mooij 2002)

Individualism versus Collectivism:

In Pakistan there is a strong joint family system in which people not only take care of their immediate family but also their uncles, aunt and grandparents. So in Pakistan there is a collectivism culture. (ITIM [no date])

In Pakistan, members of the families are strongly associated with each other. There are many different occasions on which they tend to meet with each other like on the

occasion of EIDs. Many Pakistanis live in foreign countries for earning money. They just not support their immediate family but also try to raise the expenses of their other family members. These people like to be in contact with their dear ones apart from physical distances and telecom accessories are playing their role in this regard. Family members can strongly influences the behaviour of buyers. (Kotler et al. 2004)

There is a saying that “Excess of everything is bad”. It suits in the case of telecom facilities as well. These facilities are interrupting local social setups. Phones have always been interrupting machines. Like a screaming baby demanding to be fed, a phone demands your attention as soon as it rings. (Flare 2007)

Masculinity verses Femininity:

In Pakistan there is a male dominant society in which opinion of males are preferred over those of females in many parts of life. So there is a masculinity dimension of culture in Pakistan. (ITIM [no date])

Social factors also affect the consumer’s behaviour. Every person has his role according to his/her culture and social setups. Understanding of these roles is important with marketing point of view. (Kotler et al. 2004)

In Pakistan, there is a male dominant society. Female are not encouraged to go out to do jobs and participate in the main stream of life. People also don’t want their female to possess mobile phones and always try to impose their decisions on their dependant females. (MQM 2007)

Uncertainty Avoidance:

Pakistan is a Muslim country, where Muslim population is far greater than the Hindu, Christianity and other minorities. People have strong believes in their religion and in absolute truth. This factor marks Pakistani culture as an uncertainty avoidance culture. (ITIM [nodate])

In fact people are going far from religious believes and they have started believing on supernatural forces. Due to this people just start believing on rumours without any confirmation and justification. In Pakistan literacy rate is very low and due to this people are superficial and they believe on these rumours without any proof. “Rumours last week were spread around Pakistan that a deadly virus was being sent through mobile phones, and that anyone answering phone calls from some certain numbers would contract a fatal illness. The rumours claimed that "as soon as you answer your phone blood comes out of your mouth, nose and ears and you die". (Cellular news 2007)

Marketers have keen interest to know that what beliefs have their consumers about their products and services in their mind. As these beliefs affect consumer’s behaviour and a wrong belief about a specific product can even prevent the purchase of that product. Then marketers will want to launch a campaign to correct these beliefs. (Kotler et al. 2004)

Short term Orientation verses Long term Orientation.

In Pakistan people have respect for their traditions and emotional behaviour is reflected by their attitudes. People are more attached to their social values. So, Pakistani culture can be regarded as short term oriented culture. (ITIM [no date])

People have tendency to become emotional on minor issues as well. One of such issues is the use of mobile cameras which has caused problems in our societies. Pakistan is an Islamic country and the traditional values of the people of the area are mostly under the affect of Islamic values. Islam has forbidden making a picture of any living human being and people are also very strict about the veil of the women as veil for women is compulsory in Islam. If someone tries to capture the snap of a female who is not his relative, then this thing creates problems and it may cause a quarrel between two parties and such things have been reported. As Pakistan is an Islamic country, so they have "Saudi Arabia" as their role model. And Camera-equipped mobile phones are ostensibly banned in the Kingdom. A woman was expelled from her university in "Saudi Arabia" for taking pictures of unveiled colleagues with a mobile and posting them on the Internet. (Arab News 2004)

6- Analyses:

In this chapter we will describe our main research question in detail i-e Impacts of telecom sector on Pakistani culture and society. We will present our analysis which we have done mainly on the basis of primary data (which we got through a survey with the help of questionnaire) and using secondary data resources as well. This sector is being invested by investors because a number of incentives have been given by the Government to further increase the investment. In this regard the sector has been given the status of industry. (Sargana 2005)

6.1 Impacts on Pakistani Culture:-

Now, we will present the impacts of Boom of Telecom Sector on Pakistani culture which we have mainly analysed through a survey with the help of questionnaire and as we are a part of that Society so our personal experiences and observations will also reflect in this context. We all know that when something becomes a part of our life, obviously it affects our living style, our ways of performing daily routine works or in other words it affects our Culture and Society. And of course every thing has positive and negative effects. We will see here that what positive and negative impacts are being faced by the people of Pakistan with respect to their specific cultural and traditional values due to telecom services and especially cellular ones. We have done this by keeping in mind the five dimensional cultural model of Professor Hofstede. We have done all this keeping in mind the inter-link between culture and marketing that how these social and cultural values affect the consumer's behaviour. A lot of surprising things came in our notice during our survey which we will share that how people from different communities are perceiving these services and how these services are being thought as Blessings of God by some people and on the other hand some people have an opinion like "Cell phones or Hell phones". Many things will be amazing for those readers who do not know about the myths and specific thinking of the people of that area. But people from all over the world have their own set of traditional values and look at different things with their own point of view which is of course affected by many things like religion, local values and their set of experiences. So, in this context it will be an interesting report and will help to create awareness that how people of Pakistan think about telecom services and what problems they are facing from this and what benefits they are enjoying due to easy access of these services.

6.2 Mobile or Fixed Line or Wireless:

Different people have shown different interests that either they prefer Mobile connection or fixed line or Wireless. (Appendix II, Q. # 5)

Firstly in Pakistan, there were only fixed line services and people were using this facility in urban areas as there was no network in rural areas. So when comes the cellular phones, the people of urban areas quickly adopted this facility as it has many advantages and it was easy to take connection. But people living in the rural areas

were still unable to afford the cellular phones as it was expensive and the service was not available everywhere in the start. Another important factor is illiteracy in rural areas. Often people from rural areas are not aware of the benefits of the telecom services. But due to the advertisement and promotion strategies of the mobile companies, people became aware of it. Now the people are more interested in having mobiles than the fixed line phones. We are also having wireless payphones in Pakistan now and these are also getting popularity among people specially small towns because with this facility a person becomes connected with other people of the same town through a local call any where in that town (we got 35 respondents who preferred to have wireless connection out of which mostly (14) were from town area, See Appendix II, Q # 5). But of course Mobile phone is the most beneficial among these all and more practical as we analysed through our survey that maximum people have voted for Mobile phones as more beneficial. (105 respondents preferred cell connection out of which 83 were of urban area, See Appendix II, Q # 5)

6.3 Traditional Ways of Communication:

In Pakistan people of a family live very connected with each other and there is a very strong joint family system there. We have a lot of traditional and religious events when members of a family get together or send greetings to each other. Especially some of the biggest and happiest events for Pakistani Muslim population are “Eid-UL-Fitar” , “Eid-UL-Ezha” and “Eid Milad-Un-Nabbi(PBUH)”. On these occasions people used to send special cards addressing the specific greetings to their beloved ones through ordinary post system. According to our religion, this thing has a great value that we must live in contact with our all family members and keep on meeting with each other. So, people were using the very most traditional way i-e “Letter Writing” for living in contact from remote locations and sending these letters through ordinary mail system. Then with the passage of time and development of technology, a few people were having access to fixed telephone systems and they used this service for short and important talk as it was very expensive. Then gradually time changed it all and people started to use E-mails for these purposes. And it’s the time that Boom of telecom services in Pakistan has facilitated to maximum people with cellular services and people have started to use SMS (short messaging service) for greetings and sending other messages as well.

Overseas Pakistanis were having problems to contact with their back-home earlier. Mostly communication was being carried out through letters and it was a time consuming task and services were also not reliable. Now overseas Pakistanis are also enjoying the fruits of telecom sectors. The total dependence on landlines before the mobile era restricted somewhat the traceability of an individual in a given environment. If a person is in a transit or travel, it would have been a difficult task before but not now. A person with a cell phone can be contacted at will provided the said mobile service coverage is there. Recent strides in the handsets as well as the services have enabled the user to even for his respective geographical location. Without naming the said service, it is not impossible for a person sitting in a train waiting for a pass in a desolate railway station anywhere in Pakistan to know where he actually is. He need not look for the landmarks around the train to know which city or town he is approaching. All he needs is the cell phone and the requisite mobile service. (Akbar 2007)

So, the ways of communication has been very fast, cheap and easy with SMS (short messaging service) and in our survey we came to know that maximum people now prefer SMS for correspondence and greetings etc. over ordinary post system and even voice calls. We found that the respondents of our survey who are below the age of 30, well educated and near about all young females prefer SMS over voice calls, ordinary mail system and E-mails. But on the other hand people who are not well educated, or who are engaged in businesses or who are elder than the age of 30, they prefer voice calls and the traditional ways of sending greeting cards through courier services. One reason behind this is also this that they do not know the usage of cellular services fully and a few people like to remain stuck with the old ways. (96 respondents (30 females and 66 males) preferred SMS out of which 78 were less than age 30, See Appendix II, Q # 6 and 22)

Anyhow apart from all this SMS has simply reshaped the communication as it is also the slogan of one the largest cellular service provider company of Pakistan “Reshaping Communication”. (www.mobilinkgsm.com) People are now more connected than ever before. This service has made connectivity very easy and every where, like we see this example.

The current judicial crisis when the Chief Justice of Pakistan was held in house without any contact with the outside world, it was the SMS from the honourable CJ daughter to her class fellows that flashed in the newspapers to show to the world what was transpiring in the federal capital of the country. That SMS exposed what could have been otherwise a concealed fact in the pre mobile era. (Akbar 2007) So, we can say that cellular services are becoming a part of our life and every one is using it according to his own interest but it has played a major role in changing our cultural values.

6.4 Mobile Camera Facility:

Every day new technologies are emerging in the world. First Cell phones were being used just to make and receive a call but mobile manufacturers are always in an attempt to give new trends and facilities in their hand sets to capture the market. One of these facilities is mobile camera by which one has always a camera with him. We asked our respondents about the use of camera that is it is good or bad, and it was surprising for us to know that maximum people responded that it is bad because it has created many problems in our society. (See Appendix II, Q # 7) Of course it is a good facility that one can keep his memories with him all the times. We all know that the use of a thing makes it good or bad and many people have misused this facility, so for the reason it is being counted as a bad impact on our society.

Many such events have happened in Pakistani society, due to which severe results were reported. A young female employee faced a problematic situation when someone made her snaps using mobile camera and then published it on the network after editing these photos using image modifying software and now these were nude pictures. (Malik 2005) So such mishaps have made the opinion of many people against the usage of mobile camera especially on public places.

But of course people are enjoying this service as well as a positive source; especially young generation has a keen interest in mobile camera usage as they like to have photos of their girl friends and friends on different ceremonies. It has become very

easy for everyone to make snaps on different special occasions like marriages, birthdays and traditional celebrations. So, we can say that instead of the adverse affects of mobile camera usage in Pakistani culture and society, it is getting penetration in their life and people are also enjoying its usage in a purposeful and meaningful way.

6.5 Mobile as Status Symbol:

There was a time when having a mobile connection was thought to be a luxurious item but with the passage of time it became the necessity of people. Of course for having a mobile connection, you need a hand set as well and this purpose can be fulfilled by a simple and cheaper set. But it has been observed that all the mobile phone manufacturer companies are on the trot to build and present new models in the market as it is the demand of their customers as well. So, we asked our respondents in our survey that “has the mobile set become a status symbol in our society and what kind of hand sets they prefer i-e new fleshly or old complex ones?” Almost all of our respondents are of the opinion that mobile set has become a status symbol in our society and people prefer new and latest models over old and practical ones. (See Appendix II, Q # 8 and 25)

According to a survey held by Nokia in Pakistan, cell phone users in Pakistan prefer style over features and more than the actual need of it i-e being connected. The study says that “the new devices combined with an attractive fold design with quick cover keys is bringing out substance to style, which is more acceptable in Pakistan as compared to other markets in the region of Asia and Asia Pacific “. (Cell phone Users 2007)

Cell phones have become status symbol in Pakistani society and this is the reason that people rush behind new and glitzy models. Although many of them even do not know how to use the features of these latest sets. They just know how to make a call or receive a call. This thing is creating problem in a sense that many people who do not have well income, they are also participating in this race by compromising with their other important necessities of life.

6.6 Mobile Snatching & Theft:

As we have discussed in the previous head that mobile set has become the status symbol in Pakistan and people prefer to have expensive handsets. It has caused many problems one of which is mobile snatching and theft. If you own a mobile, you are always at the risk of your life. Street crimes especially the incidents of mobile snatching are becoming a routine in our country. (Flare 2007) We find such news on daily papers that someone was killed in a mobile phone snatching event and this ratio is increasing day by day.

These stolen and snatched mobiles phones are then sold to shopkeepers who buy them at low prices and then sell them with minimum of Rs 500 to Rs 1,000 profit. A lawyer, Aslam Yasir, said that such crimes were committed by unemployed people who wanted to earn money by hook or by crook. (Daily Times 2004)

This is a very big problem which our society is facing and it must be overcome by making some safety strategies by the Authorities. We came across the result from our

survey as well that cell phones are increasing the street crimes as maximum people have the same opinion. (See Appendix II, Q # 29)

6.7 Telecom Facilities:

Telecom facilities have become an essential part of our life and people feel an ease in their life with these facilities. Of course main purpose of these facilities is connectivity, but now these facilities are playing more role than only connectivity in our lives. Telecom services are playing role in many ways like now it has become easy to pay for charity through an SMS. Recently, in Pakistan many people denoted money for the relief fund to help the people affected by “earth quake”. Many people have responded us in our survey that it has become easy to denote a charity just through an SMS. (See Appendix II, Q # 9) Purpose of using telecom facilities varies from person to person, like some are using mainly for contacting with their family and friends whereas some have major usage of these facilities in their business. (See Appendix II, Q # 11)

We came to know through our survey that majority of the people who use internet prefer to use it on their computers while the respondents belonging to well educated background are preferring GPRS (We got 27 respondents who use GPRS and they all are educated , See Appendix II, Q # 10). The main reason behind this is that GPRS is still expensive in Pakistan and people are also unaware of this facility.

Major situation of using cellular facility by people is in emergency. A few of people also use it for weather information and news updates. So, we see that these telecom facilities are assisting people in different parts of routine life like business, leisure, emergency and others. (See Appendix II, Q # 19 and 20)

6.8 Fears about Possession of a Mobile phone:

These will be very interesting findings for those who do not know much about Pakistani culture and especially about the rural areas of Pakistan. In Pakistan thinking of people living in big and metropolitan cities is very different from those of living in rural areas. People living in big cities are more liberalized where as people of rural areas have very conservative thinking and are very sticky to their approach as well. By keeping all these things in our mind we inquired people in our survey that what they think about possession of mobile phones by females especially young girls? We analysed through the response of our respondents that young boys and girls are all of the view that girls must have their own mobile set and even the elder males and community from big and advanced cities has no objection about having mobile phones by girls and women. But contrary to this people from rural areas and towns do not like and even do not allow women and young girls to have their own mobile connection. (we got 27 opinions regarding option 1 of Q # 13, out of them 23 are from urban area. 19 of these 27 are below age 20, See Appendix II, Q # 13) They are very conservative and do not like the interaction of girls with other boys and people who are not a part of their family (we got 32 responses saying option 2 of Q # 13, out of them 19 are from rural area and 7 are from town, See Appendix II, Q # 13). If some girl has a mobile phone, then it is an open chance the she may come into contact with other boys which is thought a very bad thing in the society of Pakistani rural and town areas. We have a male dominant society and females are suppressed by their parents,

brothers and husbands subsequently. People from different communities also do not want their children to have their mobile phones (See Appendix II, Q # 12). They feel insecure about with whom they are in contact with. For this thinking of the parents about the security of their children, Mobilink, the country's leading cellular phone service and Disney announced the launch of a parental-controlled mobile phone for children today. This mobile phone will meet the communication and security needs of parents. The features of the new Mobilink-Disney D100 allow complete parental control on all outgoing and incoming calls and text messages. With the help of this new feature, parents can control who the child can correspond with, thus enabling parents to keep a check on the list of people the child is communicating with. It is also protected in that it does not feature Bluetooth or a camera and cannot access any type of multimedia content or website. (Dharti Pakistan 2006)

We came to know through our survey that many people also check the call records and text archives of their spouse and this is against anyone's privacy and problems originate due to this (See Appendix II, Q # 18). One of our friends who are doing a job in a Bank sent an SMS to his female colleague and the message was just a general one about the meanings of friendship. Her husband read that and came to bank the very next day during the working hours and blamed our friend that why did he send that SMS to his wife and he even threatened our friend. How silly this situation is and it happens only due to the conservative thinking of people. Another interesting thing, which we came to know that females also check the call records of their spouse. But now thoughts of people are changing due to literacy, interaction with western world, campaigns of media and Government as well. President of Pakistan said last days during his address at the occasion of International women's day "National Bank is specially advised to give loans from Rs. 15,000 to 100,000 on reduced interest rate. Women are encouraged to open PCOs. They can open a PCO with a mobile phone and earn money." (International Women's Day 2007) So the thinking of people is changing with the passage of time and they are admitting and admiring the role of women in the prosperity of country.

6.9 Interference with personal Life:

Through cellular services, you are almost in reach of every one any time. Sometimes you may want just to relax and dislike the disturbance of anyone. Then these cell phones become the hell phones on some occasions. Many people have faced such a situation when they think that they were not using these telecom services. Like you can be accessed by your boss or client at any time when you would be enjoying your holiday with your family. We admit that these telecom services and especially cellular ones are blessings of God which we are enjoying in different ways, mainly by living in contact with our dear ones but sometimes we feel uncomfortable with these services as well. So, these services have interference with personal life (See Appendix II, Q #14)

Some people also think that telecom facilities are putting a strain on their family relations. We analysed it through our survey that this is the case with young generation specially who spends most of their time on talking and chatting on their mobile phones. Most of the young people spend more than 60 minutes per day on their cell phone talking to their friends, relatives, clients and other people. They prefer to call or send an SMS despite of meeting with their colleagues and relatives. This

habit is disturbing our cultural values as Pakistani people have a culture of meeting with one another. (See Appendix II, Q # 15 and 21)

6.10 Other Social and Cultural Aspects:

There are also some other important social and cultural issues which are being affected due to the rapid boom of cellular services.

One of them is that people make different things a status symbol or a fashion. Like in Pakistan, people tend to use mobile phones while driving and they consider it a status symbol. (Mirza 2005).

According to our survey, we have seen that almost all the female respondents answered that usage of cell phone during driving is not good. Because one interesting thing is that in Pakistan driving by females is not so common. So female sitting by the next seat always forbade their husbands, sons, fathers and boy friends to concentrate on the driving, don't use mobile and slow down the speed (17 respondents answered no for Q # 16, out of them 13 are females, See Appendix II, Q # 16).

Another issue which we came to know from our survey is that low- educated people want the language of the mobile phones to be URDU which is National language of Pakistan as they do not feel easy with English interface. (27 out of 80 people have opinion that language must be URDU, out of them 19 are low educated, See Appendix II, Q # 23)

Young generation in Pakistan is also depriving of the Islamic values that we have in our culture. In Pakistan we start our conversation by saying "Aslamoaalikum" but now young people are saying "Hello" instead of "Aslamoaalikum". (See Appendix II, Q # 30)

Telecom boom also lessened the gap between rich and poor. As we have discussed in our previous section that telecom boom created a lot of new mode of doing businesses and also this sector created a lot of job opportunities and helped in reducing the unemployment in Pakistan. (See Appendix II, Q # 28)

There is some cultural pollution which these cell phones are responsible for. Like annoying ring tones and those loud conversations which you are forced to listen to in a public place are gathering of friends. So, all these are positive and negative impacts which people of the area are suffering from and we have observed through our analysis.

7- Conclusion and Recommendations:

In this chapter we will present the conclusion of our thesis and suggest some recommendations on the basis of our knowledge, research and analysis.

7.1 Conclusion:

Pakistan telecom sector remained stagnant for many years and no major progress was seen in this segment due to the monopoly of PTCL (larger power distance factor). But time changed and with the deregulation of telecom sector, investors found a friendly atmosphere and rushed towards Pakistan to take an advantage of these policies. The telecommunication sector around the world went through a process of radical change from monolith state controlled culture to an open market competitive environment. Same thing happened in Pakistan and there occurred a boom in the telecom sector in the area. (Hasan 1999) But the real action happened in cellular segment and the number of mobile users has outstripped fixed-line subscribers and Pakistan telecom sector became the fastest growing sector as compared to other countries of that area. (Mangi 2005)

This boom affected Pakistani culture and business culture of Pakistan as well. The users of these services became more and more conscious of the value of telecom services in changing business environment. Once seen as luxury items, mobile communication became a necessity. These services reduced information asymmetries and have become essential for small and large businesses alike. People have become more connected through these services than ever before. Near about all kind of businesses is being benefited through the use of these services. For example, a farmer selling his commodities to traders can now discover prevailing prices from all sources. It is a small business of just a single unit shop or it is a chain of a big multinational business, all are enjoying the fruity blessings of these telecom services. Along with this induction of new trends in existing businesses, a lot of new businesses were started due to this availability of telecom services and easy access to every one. For example business of mobile hand sets became very popular and a complete setup came into existence. Many more businesses like Call centers, Tele-centers and VOIP are all progressing and running due to this rapid influx of telecom services. These contributed towards job creation and enhanced economic activity. Pakistani president said regarding this that these telecom services have helped agriculture and industrial sectors and new jobs are being created in rural and urban areas. All these businesses are helping in the improvement of Pakistani economy and Pakistan is attracting foreign investors due to the boom of telecom sector.

These telecom services have facilitated our life and their use has become a permanent part of our life. Any one using these amenities can even not imagine living without these. So, these have become an essential part in performing the routine tasks. When some thing becomes a part of life, then it generates many affects on personal life as well. This boom of telecom sector has also affected Pakistani culture in many aspects which we came to know through our survey. These services have changed our

traditional ways of communication and people now prefer to communicate through these services instead of face to face meetings. Mobile camera has also created a lot of problems in our society due to which many people now do not like this facility. The main purpose of having a mobile set is just to be in contact with others which can be fulfilled by a simple and cheaper hand set. But, it has become a status symbol in our society to have the latest model of the mobile set and people prefer style over features and like to have fleshly, glitzy and expensive sets. One's social status and values are not judged by morality or integrity but by the visibility and showing off of a cell which should carry an integration of features like Black Berry, MMS, SMS, WAP and Ring Tones. This thing has caused an increase in street crimes and mobile snatching and theft as well.

People of rural areas of Pakistan have conservative thinking and have fears about the possession of cell phones by females especially young girls. So, they do not like and allow girls to have their own mobile connections. These services have interfered with our private life and sometimes we feel uncomfortable with these as well. But it is up to us that we should use these services in certain limits so that our personal life would not be disturbed.

We have mapped Professor Hofstede's five dimensions cultural model and done our analysis by keeping these dimensions in our mind. We found that these dimensions covered all the aspects which we were wanting to explore that each culture has its own set of values and these must not be taken for granted in making a business strategy and planning. During marketing strategy formation one must take care of all these cultural values and social factors as these indicate the trends of consumer behaviour.

7.2 Recommendations:

Few recommendations that we have concluded from our research are as follows.

7.2.1 Advertising Style:

Companies spend a lot of money on advertisement of their product just to catch more and more customers. Similarly mobile phone companies are giving their advertisements on televisions and different media channels. But for catching more customers, they should study the culture of the country where they are selling their products. (Kotler et al.2004)

In Pakistan as we have discussed in our research that people are religious and mostly abide by the Islamic laws. Similarly it is a culture where people are very curious about their spouse and especially about their females and children. Keeping in mind these things, cellular companies should be careful in advertising their products. They should not use the notions like girls are talking to their boy friends and students using mobiles in colleges and the situations in which girls and boys are getting close to each other. However they should show that people are using mobiles in villages like farmers and typical persons are using mobile to talk with their families and stuff like that. This suggestion is based upon the masculine versus feminine dimension of Hofstede's cultural model. (Daecheun & Sanghoon 2007)

7.2.2 Repairing Centres:

As we have discussed in our thesis that most people in Pakistan belong to the poor category and they can't afford the new mobile sets. So the repairing of old mobile sets and business of old mobile sets is very vast in Pakistan. Our suggestion regarding this context to different mobile set providing companies is that they should open the repairing centres in different cities of Pakistan where people can repair their hand sets in economical price even after the warranty of the hand set. This could be very beneficial both for the customers and the mobile companies. This suggestion is based upon power distance dimension of Hofstede's five dimensions cultural model as there exists a vast gap between rich and poor.

7.2.3 Others:

With the arrival of MNP technology, this suggestion is of more value for companies to give their customers some package comprising of mobile connection along with hand set so that the customers would have to stick with the company for the whole period according to the package.

We observed it through our survey that people still prefer the internet facility on their computers rather than on the mobile phones. Companies should look into this matter as proportion of people using internet is also very high. So companies should lower their rates of GPRS and should advertise this technology so that people can use more and more internet on their mobile phones.

7.3 Contribution

The main contribution of this thesis is that it highlights the importance of culture for marketing. In today's world multinational companies are expanding their businesses across the borders. Authors have presented their findings and analysis in a way that these companies can get useful information about the cultural values of Pakistan and about the specific traditional and social values of the area. Authors have mapped Hofsted's five dimensional cultural model to present their findings and to emphasize the importance of culture in marketing. The companies which want to do their business in other countries, they can also get an idea of how culture can impact their businesses and in what parameters they should tackle all these issues.

Author have focused on telecom services and presented their findings and views that how this sector has boomed in Pakistan and how companies can enhance their businesses in the area by giving attention to the local culture and societies.

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Appendix I:

Here is our questionnaire.

Whatever option you choose, please Put the integer '1' in the box like 1

Name **address**

1-Age ()years

2-Gender

Male Female

3-Education

Under Metric Intermediate Graduate Post Graduate

4-City Area

Urban Town Rural

5-Which is more beneficial among the following?

Mobile phones fixed line wireless

6-Which services do you prefer to use sending greetings?

By ordinary mail by email by SMS

7-What do you think about the use of mobile camera?

Good bad don't know

8-Do you think mobile set has become a status symbol in our society?

Yes No don't know

9-Have you faced any ease in your life and how due to use of mobile phones (like paying utility bills and charity has become easier)?

10-What do you prefer?

GPRS internet on your computers don't use internet

11-What is the main purpose of using telecom facilities?

For contacting with family and friends Business others

12-Do you think mobile phone is good for children?

Yes No don't know

13-Do you think mobile phone is necessary for girls and women?

Yes No don't know

14-Do you think the rapid influx of cellular services has interfered with your private life?

Yes No don't know

15-Do you think the telecom services are putting a strain on your family relation?

Yes No don't know

16-Do you use mobile while driving?

Yes No don't drive

17-Do you feel insecure about your spouse and children (in terms of who they are in contact with?)

Yes No don't know

18-Do you check the call records of your spouse and children?

Yes No don't know

19-In what situation do you prefer to use cell phones?

Weather info news emergency others

20-What is the purpose of your buying a cell phone?

Business leisure emergency others

21-How much time do you spend per day on your cell phone talking to your girl friend, spouse, office co-workers and clients?

Less than 30 minutes more than 30 minutes less than 60

More than 60 minutes

22-What do you prefer?

SMS Voice calls

23-Language of mobile phones should be?

English Urdu

24-What is your personal monthly expense on following facilities (approximately)?

1- Telephone (in rupees)

Less than 500 between 500 and 1000

More than 1000

2- Mobile: Rs.

Less than 500 between 500 and 1000

More than 1000

3-Internet: Rs.

Less than 500 between 500 and 1000

More than 1000

Total number of family members in your house	
Number of phone sets	
Number of computers	
Number of mobile phones	

25-What kind of cell phones do you prefer?

New fleshly complex sets older more practical sets don't know

26-Have you ever wished that you were not using these telecom services and why?

27-Has this service reduced or increased your monthly expenses and how?

28-Do you think that cell phones have lessened the gap between rich and poor?

Yes No don't know

29-Do you think cell phones are increasing street crimes in the society?

Yes No don't know

30-When you make or receive a call, you start your conversation by saying?

Hello Aslam-o-Alikum

**Thank you for giving your precious time in answering this
questionnaire.**

Appendix II:

We sent this questionnaire to more than 300 persons and got responses of about 170 respondents in time. It was not an easy task for us as we were here in Sweden and survey was to be conducted in Pakistan. Anyhow we got following statistics of our respondents.

Question # 1

Fewer than 20 age	35
Between 20 & 30 age	95
Above than 30 age	40

Question # 2

Male	120
Female	50

Question # 3

Under Metric	30
Intermediate	49
Graduate	73
Post Graduate	18

Question # 4

Urban	97
Town	23
Rural	50

Question # 5

Total respondents = 170

1- Mobile phone 2- Fixed Line 3- Wireless

Respondents = 105

Respondents = 30

Respondents = 35

Question # 6

Total respondents = 170

1- by ordinary mail
Respondents = 17

2- by email
Respondents = 57

3- SMS
Respondents = 96

Question # 7

Total respondents = 140

1- Yes
Respondents = 54

2- No
Respondents = 63

3- Don't Know
Respondents = 23

Question # 8

Total respondents = 157

1- Yes
Respondents = 113

2- No
Respondents = 14

3- Don't Know
Respondents = 30

Question # 9

Only 40 respondents answered this question.

Question # 10

Total respondents = 118

1- GPRS
Respondents = 27

2- Internet
Respondents = 64

3- Don't use internet
Respondents = 27

Question # 11

Total respondents = 157

1- Option 1
Respondents = 121

2- Option 2
Respondents = 16

3- Option 3
Respondents = 20

Question # 12

Total respondents = 136

1- Option 1
Respondents = 37

2- Option 2
Respondents = 80

3- Option 3
Respondents = 19

Question # 13

Total respondents = 77

1- Option 1
Respondents = 27

2- Option 2
Respondents = 32

3- Option 3
Respondents = 18

Question # 14

Total respondents = 93

1- Option 1
Respondents = 42

2- Option 2
Respondents = 26

3- Option 3
Respondents = 25

Question # 15

Total respondents = 63

1- Option 1
Respondents = 23

2- Option 2
Respondents = 19

3- Option 3
Respondents = 21

Question # 16

Total respondents = 90

1- Option 1
Respondents = 23

2- Option 2
Respondents = 17

3- Option 3
Respondents = 50

Question # 17

Total respondents = 107

1- Option 1
Respondents = 47

2- Option 2
Respondents = 33

3- Option 3
Respondents = 27

Question # 18

Total respondents = 33

1- Option 1
Respondents = 17

2- Option 2
Respondents = 9

3- Option 3
Respondents = 7

Question # 19

Total respondents = 170

1- Option 1
Respondents = 19
4- Option 4
Respondents = 60

2- Option 2
Respondents = 24

3- Option 3
Respondents = 67

Question # 20

Total respondents = 155

1- Option 1
Respondents = 15
4- Option 4
Respondents = 48

2- Option 2
Respondents = 32

3- Option 3
Respondents = 60

Question # 21

Total respondents = 87

1- Option 1
Respondents = 27

2- Option 2
Respondents = 40

3- Option 3
Respondents = 20

Question # 22

Total respondents = 167

1- Option 1
Respondents = 114

2- Option 2
Respondents = 53

Question # 23

Total respondents = 80

1- Option 1
Respondents = 53

2- Option 2
Respondents = 27

Question # 24

No one answered this question.

Question # 25

Total respondents = 165

1- Option 1
Respondents = 134

2- Option 2
Respondents = 23

3- Option 3
Respondents = 8

Question # 26

30 respondents gave answer for this question and we found varying response.

Question # 27

Only 14 persons answered this question.

Question # 28

Total respondents = 77

2- Option 1
Respondents = 35

2- Option 2
Respondents = 27

3- Option 3
Respondents = 15

Question # 29

Total respondents = 170

1- Option 1
Respondents = 123

2- Option 2
Respondents = 37

3- Option 3
Respondents = 10

Question # 30

Total respondents = 160

1- Option 1
Respondents = 70

2- Option 2
Respondents = 90