

Vodafone and Ooredoo in Qatar can provide inspiration for 5G tariff structures to other operators in the GCC

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Consumer adoption of mobile 5G services in most countries in the Gulf Co-operation Council (GCC) remains low, even though these services have been available since mid-2019 and there have been significant improvements in population coverage. Operators in the GCC continue to differentiate their 5G mobile tariffs largely in terms of data allowances, which may explain consumers' lack of enthusiasm for 5G.

Operators in the GCC should therefore experiment with new pricing models to make 5G more attractive and to encourage subscription upgrades. Ooredoo and Vodafone in Qatar, with their speed-throttled, non-stop data access and flexible plans, can provide some inspiration.

This article is based on Analysys Mason's report, [Consumer 5G mobile pricing strategies in the GCC 2022](#).

Consumer adoption of 5G services in the largest markets in the GCC remains low despite the good coverage

Most operators in the GCC deployed 5G in 2019 and since then, 5G coverage has reached most of the region's population. Indeed, we estimate that 5G covered more than 75% of the population in Bahrain, Kuwait, Qatar and the UAE in June 2022, and around 60% of the population in Oman and Saudi Arabia.

However, the adoption of mobile 5G services has been relatively low. We estimate that fewer than 10% of the active mobile connections in Oman, Saudi Arabia and the UAE used 5G at the end of 2021. The high price per gigabyte of data and the relatively high cost of 5G handsets may discourage consumers from upgrading to 5G. Most operators offer the ability to pay for 5G handsets in instalments, which helps to lower the barrier to smartphone acquisition. However, the absence of 5G-specific tariffs (as in the UAE) and the lack of unique apps make it difficult for consumers to see the advantages of 5G and to justify paying a premium for it.

Operators in the GCC have started to make changes to their consumer mobile 5G tariffs, but there is potential for further innovation

Most 5G plans in the GCC are tiered based on the size of the [voice and data allowances](#). However, some operators introduced some enhancements in 2021 and 2022 to expand their addressable markets. For example, Zain offers a 5G access fee waiver for prepaid customers in Bahrain and introduced the first prepaid 5G plans in Kuwait. It also introduced new premium 5G plans in Saudi Arabia with 'true' unlimited usage for the top two tiers and 175GB of data per month for the lower tiers.

Other operators, such as Ooredoo in Qatar and Oman, use data allowances in combination with speed throttling to differentiate their 5G plans. However, the use of speed-tiering with unlimited data plans is much less common

than in Europe and the USA, where there is [evidence of its positive impact](#).¹ AR/VR and cloud gaming bundles also remain very limited; Zain (Saudi Arabia) is the only operator in the region to offer an Nvidia GeForce NOW subscription with postpaid mobile 5G plans. Most operators tend to bundle non-5G-specific content services such as social media services (for example, WhatsApp) or video streaming (for example, OSN+).

Ooredoo and Vodafone attract customers to 5G by offering uninterrupted internet access, flexible bundles and lifestyle benefits

Qatar has one of the highest levels of mobile 5G penetration in the Middle East and North Africa; it was over 20% in June 2022. Ooredoo and Vodafone launched 5G in July 2019 and network coverage has reached an estimated 99% and 85% of the population, respectively.

The two operators offer appealing tariffs with three types of benefits (Figure 1).

- **Removal of usage obstacles.** Ooredoo and Vodafone are among the few operators in the region to offer interrupted data usage once the main data allowance has been consumed for all their postpaid mobile 5G plans. Both operators apply a fair usage policy (FUP), but nonetheless, the plans allow consumers to stay connected and use popular applications without additional charges. Vodafone's customers can also carry forward unused data and Ooredoo includes an unlimited WhatsApp data allowance.
- **Increased value and utility.** Some tariffs bundle telecoms features such as a VIP number and a data roaming allowance and non-telecoms benefits such as online vouchers (Vodafone), a bundle to access to video and gaming streaming and services (Ooredoo) and discounts in cafés and restaurants (both).
- **More flexibility and choice.** Vodafone's U plans allow customers to select combinations of voice and data allowances, which they can change up to twice per month. Ooredoo's customers can select one of four streaming packs.

Figure 1: Characteristics of headline 5G mobile plans, Ooredoo and Vodafone, Qatar, August 2022

	Ooredoo (Shahry)	Vodafone (U plans)	Vodafone (Unlimited 5G)
Number of plans	4	3	6
Price per month	QAR94–220 (USD26–60)	QAR105–151 (USD29–42)	QAR250–750 (USD69–206)
Voice allowance	From 250 minutes to unlimited (with FUP)	11 combinations of voice and data allowances at full speed, then unlimited at a reduced speed that is determined by the tariff	Unlimited (with FUP)
Data allowance	6–20GB at full speed, then unlimited at a reduced speed that is determined by the tariff	Unlimited (with FUP)	Unlimited (with FUP)
Third-party service allowances	Unlimited WhatsApp data	None	None
Other telecoms benefits	Allowances for international calls and data roaming	Ability to carry forward unused data, bill shock protection and free VIP number	International calls, data, voice and in-flight roaming and free VIP number

¹ Elisa in Finland and Vodafone in Europe attributed ARPU increases to the take-up of unlimited plans.

	Ooredoo (Shahry)	Vodafone (U plans)	Vodafone (Unlimited 5G)
Non-telecoms benefits	Free access to third-party discount app Urban Point and a subscription to Erosnow, OSN+, Shahid VIP or Starzplay	Subscription to “buy-one-get-one” apps, Mybook and Entertainer	E-commerce vouchers, subscription to “buy-one-get-one” apps, Mybook and Entertainer, and the ability to earn Qatar Airways loyalty points

Source: Analysys Mason

Improved 5G coverage and speeds give operators in the GCC the opportunity to use network features and capabilities to design more-sophisticated and appealing tariffs, as demonstrated by Ooredoo and Vodafone in Qatar. Analysys Mason’s *Consumer 5G mobile pricing strategies in the GCC 2022* identified other strategies that operators in the region can adapt to monetise 5G mobile services depending on their ambition and capabilities. These strategies include introducing new 5G-rich content offerings and playing a stronger role in the ecosystem to capture B2B2C opportunities.