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National origin as a means of customer segmentation:
An analysis of mobile communications users in a GCC country

Work in Progress # 157

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Abstract

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Many researchers and practitioners in the field of mobile communications services (MCS) have tried to segment MCS users to support operators in better tailoring their offers to the needs of specific customer groups. Most relevant work focuses on subscriber samples from Europe, North America, and South-East Asia. In contrast, especially developing regions that are coined by substantial migrant influx, such as the group of countries of the Arabian Gulf Cooperation Council (GCC), have been neglected. Therefore, this paper analyzes the national origin of MCS subscribers as a predictor of their usage behaviors in a sample of residential customers in one of the GCC member states. The data set comprises usage data of 4,892 postpaid subscribers, half of which are expatriates, of a mobile network operator in a GCC country. Migrant subscribers are divided into South Asians, who account for the largest share of the expatriate population in the observed country, and workers originating from other foreign nations. The results imply that national origin is a highly significant predictor of individual MCS usage. Nationals and all expatriates primarily differ in international voice and SMS usage but not in national MCS and mobile Internet usage. Among expatriates, South Asians consume more national and international voice minutes than migrants originating from other foreign nations. The study extends the literature on MCS usage behavior in Arab states in general and customer MCS usage segmentation based on individuals' national citizenship in particular.

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