YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF ECONOMICS
MASTER OF DEVELOPMENT STUDIES PROGRAMME

A STUDY ON THE CHALLENGES AND OPPORTUNITIES OF THE TELECOMMUNICATION INDUSTRY'S RETAIL SECTOR IN MAGWAY REGION

HNIN THANDAR AUNG
EMDevS – 10 (19th Batch)

JUNE, 2025

YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF ECONOMICS
MASTER OF DEVELOPMENT STUDIES PROGRAMME

A STUDY ON THE CHALLENGES AND OPPORTUNITIES OF THE TELECOMMUNICATION INDUSTRY'S RETAIL SECTOR IN MAGWAY REGION

This thesis is submitted in partial fulfillment of the requirements for the Master of Development Studies (MDevS) Degree.

Supervisor

Daw Phyu Win Ei
Associate Professor
Department of Economics
Yangon University of Economics

Submitted by:

Hnin Thandar Aung
Roll No. 10
EMDevS 19th Batch
(2023-2025)

JUNE, 2025

YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF ECONOMICS
MASTER OF DEVELOPMENT STUDIES PROGRAMME

This is to certify that the thesis entitled **"A Study on the Challenges and Opportunities of the Telecommunication Industry's Retail Sector in Magway Region"** submitted as partial fulfillment of the requirements for the Master of Development Studies degree has been accepted by the Board of Examiners.

BOARD OF EXAMINERS

Dr. Tin Tin Htwe
(Chairperson)
Rector
Yangon University of Economics

Dr.Cho Cho Thein
(Examiner)
Pro-Rector
Yangon University of Economics

Dr. Naw Htee Mue Loe Htoo
(Examiner)
Professor (Head)
Director, MDevS Programme
Department of Economics
Yangon University of Economics

Dr. Yin Myo Oo
(Examiner)
Professor
Department of Economics
Yangon University of Economics

Daw Phyu Win Ei
(Supervisor)
Associate Professor
Department of Economics
Yangon University of Economics

JUNE, 2025

ABSTRACT

Digital connectivity becomes increasingly essential to economic growth and social inclusion, and regional telecom infrastructure and service delivery disparities have become pressing concerns. This study examines the key challenges hindering the growth of the telecommunication industry retail sector and also explores the opportunities to support the sustainable development of telecom retail service in Magway Region. This study used a descriptive method, both quantitative and qualitative data approaches. Using Magway Region as a case study, this research investigates factors such as market accessibility, infrastructure limitations, customer behavior, regulatory frameworks, and competitive dynamics affecting the retail sector of telecommunication services. The findings highlight several barriers, including insufficient infrastructure, limited investment, and low digital literacy among consumers. However, the study also identifies significant opportunities. Suggestions are provided to enhance retail strategies, improve service coverage, and encourage sustainable growth in the region's telecom industry.

ACKNOWLEDGEMENTS

I would like to express my heartfelt appreciation to all those who assisted me in completing this thesis.

First and foremost, I am grateful to Professor Dr. Tin Tin Htwe, Rector of Yangon University of Economics, for her essential assistance and for allowing me to complete the Master of Development Studies program. Her leadership has been essential to my academic success.

I would also like to express my gratitude to Professor Dr. Cho Cho Thein, Pro-Rector of Yangon University of Economics, for her constant support and encouragement, which contributed greatly to my success in this program.

I deeply thank Professor Dr. Naw Htee Mue Loe Htoo, MDevS Programme Director and Department Head, Department of Economics, for her continuous guidance and support during my studies. Her advice has been invaluable in completing this thesis.

My sincere appreciation also goes to Dr. Yin Myo Oo, Professor, Department of Economics, Yangon University of Economics, for her insightful guidance and support during the course of my academic journey.

In addition, I am profoundly appreciative of Associate Professor Daw Phyu Win Ei, my supervisor, for her constant encouragement and great guidance, and assistance, which have served as an ongoing source of motivation.

Finally, I would like to thank all the colleagues and survey collectors for their cooperation and for providing the essential data for this research.

Thank you for the encouragement and support of everyone, which enabled me to complete this thesis.

Hnin Thandar Aung

EMdevs-10

19th Batch

(2023-2025)

TABLE OF CONTENTS

LIST OF TABLES

LIST OF ABBREVIATIONS

ADB	Asian Development Bank
ATM	Automated Teller Machine
CSP	Communication Service Provider
GDP	Gross Domestic Product
GSMA	Global System for Mobile Communications Association
ICT	Information and Communication Technology
IFC	International Finance Corporation
ILO	International Labour Organization
MCRB	Myanmar Centre for Responsible Business
MPT	Myanmar Posts and Telecommunications
NGO	Non-Governmental Organization
PTD	Posts and Telecommunications Department
SIM	Subscriber Identity Module
UNCDF	United Nations Capital Development Fund
USD	United States Dollar
VAS	Value Added Service

CHAPTER I
INTRODUCTION

1.1 Rationale of the study

The telecommunications industry plays a pivotal role in driving digital transformation, economic development, and social connectivity in modern societies. In developing countries like Myanmar, the expansion of telecom services is crucial not only for communication but also for enabling access to education, financial services, healthcare, and e-governance. Since the liberalization of Myanmar's telecom sector in 2013, the market has seen rapid growth, particularly in urban centers. However, rural regions such as the Magway Region continue to face significant gaps in retail infrastructure, service reliability, and digital access.

The retail sector serves as the frontline of telecom service delivery. In regions like Magway, telecom retail outlets function as more than mere points of sale—they are vital enablers of digital inclusion, rural development, and local economic activity (Barca, McCann, & Rodríguez-Pose, 2012). Yet, these outlets face multiple challenges, including poor infrastructure, low digital literacy, unstable electricity supply, and limited business capital. These problems have been further exacerbated by external shocks such as the COVID-19 pandemic and political unrest, leading to disruptions in service delivery and reduced consumer spending.

Despite these challenges, the Magway Region holds significant potential for telecom retail growth. Increasing mobile usage, rising demand for digital tools in agriculture and small businesses, and emerging opportunities in digital finance and e-learning point to a growing need for robust telecom retail networks. However, current research and policy discourse often overlook the role and realities of rural telecom retail in national development strategies (McGoldrick, 2002; Vargo & Lusch, 2004).

Therefore, this study aims to fill that gap by systematically examining the challenges and opportunities in the Magway Region's telecommunications retail sector, aiming to inform policies for digital access, rural market strategies, and local entrepreneurs' empowerment.

1.2 Objective of the Study

The objectives of the study are as follows:

- To examine the key challenges hindering the growth of the telecommunication retail sector in Magway Region.
- To explore the opportunities that can support the sustainable development of telecom retail services in Magway Region

1.3 Method of Study

This study used a descriptive method, both quantitative and qualitative data approaches, and primary data were collected from 300 respondents, including telecom users and retail shop operators, to assess service quality, accessibility, and challenges over two months in selected areas of Magway Region, including Pakokku, Yenangyaung, and Minbu Township. Secondary data were gathered from various reliable sources, including government reports, telecom industry publications, company websites (MPT, Ooredoo, Mytel, ATOM), and market research findings relevant to Myanmar's telecom sector.

1.4 Scope and Limitations of Study

This study focuses on assessing the challenges and opportunities in the development of the telecommunication retail sector in Magway Region. It covers areas such as service accessibility, customer satisfaction, retail operations, and market potential. The research is based on data collected from local consumers and telecom retailers. However, the study is limited to selected areas within Magway and does not represent the entire country. Findings rely on survey responses, which may involve bias. Time and resource constraints also limited a broader comparative analysis across all telecom operators and regions.

1.5 Organization of the Study

This thesis is organized into five main chapters. Chapter one provides an introduction to the study, outlining the background, rationale, research objectives, methodology, scope, and overall structure of the thesis. Chapter two presents a comprehensive literature review, discussing relevant theories related to retail development, spatial dynamics, and telecommunications. It also reviews prior studies conducted both within Myanmar and internationally to establish a strong theoretical

foundation. Chapter three explains the research methodology, detailing the data collection instruments, sampling techniques, and analytical methods used in the study. Chapter four presents the findings and analysis of the field survey, interpreting data collected from retail shops across selected areas in the Magway Region. Finally, Chapter Five concludes the study by summarizing the key findings, offering practical recommendations, and discussing policy implications aimed at strengthening the development of the telecommunication retail sector in Magway.

CHAPTER -II
LITERATURE REVIEW

2.1 Definition of Telecommunications Retail Sector

The telecommunications retail sector is a distinct segment within the broader telecommunications industry, focusing on the direct distribution and sale of communication services and related products to end consumers. This sector encompasses a range of services, such as mobile and fixed-line telephony, broadband internet, television, and bundled service packages, as well as the sale of telecommunications equipment, including smartphones, tablets, modems, routers, and accessories. From an industry perspective, the telecommunications retail sector functions as a vital link between service providers and the consumer market. Its primary function is to make communication technologies accessible and functional for individuals and households through physical and digital retail channels.

2.1.1 Component of Telecommunications Retail Sector

Examining the telecommunications retail sector's key components, products and services, market structure and distribution, consumer behavior, technological evolution, and industry trends is important to better understand its nature and dynamics.

(i) Products and Services

Retailers of telecommunications goods and services offer a wide range of options to satisfy the various demands of customers. Mobile phones, smart gadgets, routers, modems, and other accessories are important items. The services include broadband internet, pay-TV subscriptions, mobile and fixed-line phone calls, and bundled packages, which combine many services into one package. Value-added services like multi-SIM capabilities, cloud storage, mobile insurance, and smart home solutions are being offered more frequently to set providers apart and improve customer satisfaction. (GSMA, 2023; Deloitte, 2022).

(ii) Market Structure and Distribution Channels

The sector is composed of global telecommunications operators, national and regional providers, and a complex network of distribution channels. These channels include operator-owned retail stores, third-party resellers, online platforms, mobile applications, and call centers. The evolution of omnichannel retailing—the integration of physical and digital sales and service environments has become vital to maintaining competitiveness and delivering a seamless customer experience (Accenture, 2021; McKinsey & Company, 2023). Higher brand engagement, improved logistics, and improved customer service are all made possible by effective channel integration.

(iii) Customer Demographics and Purchasing Behaviors

Telecommunications retailers serve a wide-ranging customer base segmented by age, income, location, and technological literacy. Consumer purchasing behavior is increasingly influenced by a preference for mobile-first solutions, personalized experiences, and bundled service packages. Younger demographics often prioritize digital convenience, sustainability, and innovation, while other segments continue to value in-person service and affordability (PwC, 2022).

(iv) Evolution and Industry Terminology

The telecommunications retail sector has evolved significantly from its origins in landline services and hardware retailing to become a highly competitive and technology-driven marketplace. The terminology has also changed to reflect this transformation. New concepts such as “Techco” (technology-oriented telecom firms), “eSIM” (embedded SIM technology), “CX” (customer experience), and “omnichannel” (integrated service across platforms) are now commonly used. Moreover, generative artificial intelligence (AI) is being increasingly deployed in areas such as chatbots, virtual assistants, network optimization, and predictive customer support (Forrester, 2023).

(v) Trends and Industry Dynamics

The sector is shaped by fast-paced innovation and changing consumer expectations. Prominent trends include AI-powered customer service, hybrid retail models that combine digital and physical experiences, and the role of social media and influencers in consumer decision-making. As digital transformation accelerates, telecom retailers are under pressure to modernize operations, enhance personalization, and build trust in digital platforms (Ericsson, 2023; Bain & Company, 2022).

2.1.2 Contribution of Telecommunication Retail Sector

Retail plays a critical role in the expansion, accessibility, and customer engagement of the telecommunications industry, especially in developing and transitioning markets. As the primary interface between service providers and end-users, telecom retail outletsranging from branded stores to independent multi-brand shops- serve as key distribution and service points for SIM cards, devices, top-ups, and customer support. These outlets not only facilitate product availability but also foster trust, especially in regions where digital literacy remains low and online service usage is limited (GSMA, 2022).

One of the key contributions of telecom retail is market penetration and customer onboarding. Physical retail stores often act as the first point of contact for new customers, offering in-person guidance, localized language support, and assistance in understanding service packages or mobile applications. This is particularly important in rural or underserved areas where digital platforms have not yet fully replaced traditional service channels. McGoldrick's (2002) Retail Distribution Theory emphasizes the importance of location, accessibility, and customer service in determining the success of retail channels in delivering telecom services.

Additionally, retail channels contribute significantly to brand visibility and differentiation. Telecom operators use their physical presence to reinforce brand identity through store layout, staff uniforms, signage, and promotions. In competitive markets, retail performance can influence customer perceptions of service quality and reliability, particularly when competing products and price points are similar. According to Porter's Five Forces framework, telecom retail can help firms reduce buyer power by offering personalized support, bundling products, and promoting loyalty programs (Porter, 1980).

Moreover, retail contributes to the digital transition by educating customers about new technologies and services, such as mobile banking, e-government platforms, and digital health tools. Retail staff often serve as informal digital literacy trainers, helping bridge the gap between product rollout and actual adoption, especially among older or less digitally fluent populations (World Bank, 2021). In doing so, retail outlets extend the functional reach of telecom operators beyond pure connectivity, embedding them into broader socio-economic transformation.

The retail sector is not merely a sales channel but a strategic component of the telecommunications ecosystem. Its role in customer acquisition, brand development, and digital inclusion continues to grow as telecom firms strive to reach diverse populations with increasingly complex services.

2.1.3 The Role of Retail in the Distribution Channel

Retail plays a pivotal role in the distribution channel by acting as the critical intermediary between producers and consumers. In the context of telecommunications and other industries, retail outlets serve as the final touchpoint where goods and services are physically or digitally delivered to end users. Retailers bridge the gap between manufacturers or service providers and consumers by offering convenience, product variety, after-sales service, and customer engagement (McGoldrick, 2002). Their strategic positioning within the distribution channel enables companies to expand market coverage, improve responsiveness to consumer needs, and strengthen brand presence in competitive markets.

A well-functioning retail system enhances the efficiency and effectiveness of distribution by making products available at the right place, time, and quantity. Retailers assume logistical roles such as inventory management, point-of-sale transactions, and localized customer service, allowing suppliers to focus on production and large-scale distribution (Berman & Evans, 2018). In sectors such as telecommunications, retail outlets not only sell physical goods like mobile phones and SIM cards but also provide critical services such as registration, subscription plan selection, troubleshooting, and mobile money transactions. This frontline interaction helps build trust and customer loyalty, elements that are difficult to achieve solely through online or centralized service channels (Kotler & Keller, 2016).

2.2 Development of Telecommunications Industry

The telecommunications industry has undergone a significant transformation, driven by rapid technological innovation, widespread smartphone adoption, and a growing demand for mobile internet services. Globally, the sector is shifting from traditional voice and SMS services to integrated digital ecosystems supported by high-speed networks. The rollout of 4G and the emergence of 5G technologies have facilitated faster data transmission, expanded connectivity, and the proliferation of advanced digital services such as video streaming, cloud computing, and the Internet of Things (IoT) (ITU, 2022; GSMA, 2023).

These developments enhance user experiences. More importantly, they reshape how individuals, businesses, and governments participate in the digital economy. In many developing regions, 4G remains the dominant infrastructure, but gradual progress toward 5G adoption is evident, despite ongoing regulatory, financial, and infrastructural barriers (World Bank, 2021). The increasing reliance on mobile data, particularly among younger, digitally engaged populations, continues to fuel growth and innovation within the sector.

The evolution of the telecommunications industry can also be better understood through several theoretical lenses that explain the adoption, competition, and user behavior within the sector. Rogers' Diffusion of Innovation Theory provides a foundation for analyzing how new technologies such as 4G and 5G are gradually embraced by different segments of the population, influenced by factors like perceived benefits, affordability, and social influence (Rogers, 2003).

Similarly, the Technology Acceptance Model (TAM) emphasizes the role of perceived ease of use and usefulness in determining whether users adopt services such as mobile applications, digital wallets, or e-government platforms offered by telecom operators (Davis, 1989). At the organizational level, the Resource-Based View (RBV) underscores how internal capabilities—such as technological infrastructure, skilled labor, and proprietary data—allow telecom firms to build competitive advantages and develop innovative offerings (Barney, 1991).

The market dynamics of the telecommunications industry are effectively captured by Porter's Five Forces, which highlight the competitive pressures from new entrants, substitutes, supplier power, buyer power, and industry rivalry—all of which influence pricing, product strategies, and investment decisions (Porter, 1980). Meanwhile, Network Externalities Theory explains how the value of telecom services increases as more people use them, a concept evident in mobile money, messaging platforms, and social media networks that thrive on user base growth (Katz & Shapiro, 1985). In the context of physical service delivery, Retail Distribution Theory is useful in examining how telecom operators expand their reach through branded and multi-brand retail shops, improving accessibility in both urban and rural settings (McGoldrick, 2002).

Lastly, the Unified Theory of Acceptance and Use of Technology (UTAUT) offers a comprehensive framework for understanding user behavior by integrating constructs like performance expectancy, effort expectancy, social influence, and facilitating conditions critical factors that shape technology adoption in developing telecom markets (Venkatesh et al., 2003).

2.2.1 Global and Regional Context

Globally, and especially in developing and emerging nations, the telecommunications industry has emerged as a key force behind economic growth and digital transformation. Its impact goes much beyond conventional communication services; it is currently a major supporter of e-governance, social connectivity, financial empowerment, and digital inclusion (World Bank, 2022). As mobile technology spreads around the world, telecom services are helping to close the digital divide and advance the Sustainable Development Goals (SDGs).

The GSMA (2021) claims that the Asia-Pacific region's adoption of mobile technology has played a major role in the advancement of socioeconomic conditions. In addition to supporting innovative ecosystems and opportunities for employment, mobile connectivity has increased access to essential services like medical, distance learning, and mobile banking. Mobile technologies have successfully surpassed infrastructural obstacles in many parts of Asia, particularly Southeast Asia, providing connectivity in areas where fixed broadband access and physical banking services are still in short supply (GSMA, 2021).

This trend is particularly visible in countries like Myanmar, where mobile networks are often the sole means of internet access for much of the population. The affordability of smartphones, combined with increasing mobile network coverage, has allowed millions to come online, creating unprecedented opportunities for digital inclusion and local economic participation (ITU, 2023). Mobile platforms now support everything from small-scale commerce to e-government services, underscoring the sector's strategic relevance to national development agendas.

Retail outlets are a crucial component of this evolving telecom. Especially in semi-urban and rural settings, retail stores serve as the critical interface between telecom providers and end-users. These shops offer diverse services such as SIM card registration, airtime top-ups, device sales, and basic technical support. Importantly,

they also facilitate digital financial services and foster digital literacy among underserved communities (APNIC Foundation, 2022). In many regions, retail stores represent the most accessible and trusted point of contact for customers, helping to bridge service delivery gaps. (APNIC Foundation, 2022).

The retail telecommunications infrastructure is under more pressure due to the rapid digital transformation. Regional trends indicate that consumer demand for data-heavy services (e.g., e-commerce, video streaming) is increasing, that mobile broadband usage is rapidly shifting, and that customer service quality and customized expectations are rising (ADB, 2021). These changes call for calculated expenditures in infrastructure improvements, digital technologies, and training for the retail workers. Retail modernization is now seen by national governments and international organizations like ASEAN as crucial to achieving.

2.3 Theoretical Concepts of the Retail Sector for Telecommunication Industry

As the last and most customer-facing phase of the supply chain, the retail industry is essential to getting goods and services straight to consumers. Retail locations are essential for developing digital inclusion, service accessibility, and customer interaction in the global telecom sector, in addition to being commercial sites of transaction (McGoldrick, 2002).

Several foundational theories offer insights into the development of telecom retail. The four stages of retail format evolution—innovation, growth, maturity, and decline are each distinguished by distinct patterns of consumer behavior, competition, and technology adaptation, according to the Retail Life Cycle Theory (Davidson, Sweeney, & Stampfl, 1988). Telecom retail frequently evolves quickly through these stages in quickly transforming markets, and as it matures, shops must continually innovate or risk becoming outdated.

The Retail Distribution Theory emphasizes the role of retailers in minimizing inefficiencies within the supply chain by facilitating product aggregation and enhancing consumer access (McGoldrick, 2002). Retail shops in the telecom industry are helping to close the distance between distributed customer bases and centralized service providers, especially in areas with poor infrastructure.

Additionally, the Theory of Convenience Retailing highlights consumer preference for retailers that offer accessibility, proximity, and time efficiency (Brown,

1989). In telecommunications, convenience enhances adoption and retention, especially when customers require immediate services such as SIM activation, top-up purchases, or quick device repairs.

The merging of physical and digital retail environments is addressed by Channel Theory and the concept of Omnichannel Retailing (Stern, El-Ansary, & Coughlan, 1996).In the telecom industry, this refers to simple interactions between digital self-service platforms, mobile applications, and in-store experiences. Omnichannel capabilities are becoming important to customer satisfaction and competitive positioning as digital transformation takes increasing strength.

These theories give a thorough framework for understanding how telecom retail is developing. They emphasize how important it is to innovate, provide customer-focused services, and have flexible distribution plans in order to deal with global market and technology changes.

2.3.1 Spatial and Regional Development for Telecommunication Retail Sector

Spatial and regional development theories are critical for comprehending the location and geographical changes of the retail telecommunications sector. They describe how infrastructure and accessibility affect effectiveness, the reasons behind the development of outlets, especially in specific areas, and methods for inclusive economic growth.

Central Place Theory, developed by Christaller (1933), provides a foundational spatial model that explains the hierarchical organization of settlements and retail centers based on their ability to serve surrounding populations. In this model, central locations—typically towns or cities—function as hubs for goods and services, including telecommunications. Retail outlets tend to cluster in these areas where transportation networks, consumer density, and economic activity intersect, increasing their commercial viability through agglomeration effects and regional demand.

Additionally, the Growth Pole Theory (Perroux, 1950) is relevant when considering how telecom development in urban or economically advanced areas can generate spillover benefits for surrounding regions. Investment in technologically advanced urban centers, where infrastructure is concentrated and purchasing power is higher, can foster innovation and service diffusion to neighboring localities.

The Place-Based Development Theory emphasizes the importance of tailoring development strategies to the unique social, institutional, and economic characteristics

of specific regions (Barca, McCann, & Rodríguez-Pose, 2012). This theory critiques standardized, "one-size-fits-all" policies and promotes interventions that leverage local strengths and address region-specific barriers to digital and economic inclusion.

However, excessive concentration may widen spatial disparities if peripheral regions are neglected. Therefore, policy frameworks must include infrastructure subsidies, rural incentives, and regulatory measures to ensure balanced regional development and digital equity (Pike, Rodríguez-Pose, & Tomaney, 2017).

The geographical inequality, such as the underdevelopment in rural and border regions, necessitates infrastructure developments and targeted investments in low-density or rural areas. These theories highlight the importance of extensive planning that achieves a balance between economic efficiency and equal access.

2.4 Challenges and Opportunities in Telecommunication Retail Sector

The telecommunication retail sector plays a crucial role in expanding digital connectivity and promoting inclusive development. As mobile and internet penetration continue to rise in developing countries, telecom retail outlets have become important access points for digital services, especially in semi-urban and rural communities. However, while the sector presents strong opportunities for social and economic growth, it also faces persistent structural and operational challenges that must be addressed for long-term sustainability and impact.

One of the most pressing challenges is the lack of reliable infrastructure in remote regions. Poor road networks, unstable electricity supply, and limited internet coverage hinder the setup and operation of retail outlets, increasing the cost and complexity of service delivery (Nguyen, 2021; World Bank, 2023).

Another barrier is the low level of digital literacy among the rural population. Without proper education and awareness, many consumers remain unable to fully engage with telecom services such as mobile banking, digital apps, or data bundles (Chen & Park, 2020). The potential effect of telecom services on local development is limited by this information gap, which also affects usage.

The financial and regulatory environment also presents challenges. Small and informal telecom retailers often struggle to access capital or microfinance, limiting their ability to expand or formalize operations. Furthermore, licensing procedures, taxation, and high import duties on telecom equipment pose additional burdens (Kumar & Lee, 2021).

The expansion of telecom retail networks has been widely recognized as a critical driver for inclusive growth, particularly in developing economies. Increasing telecom retail presence in rural and underserved areas helps bridge the digital divide by providing essential access points for connectivity and digital services (Smith, 2020; Kumar & Lee, 2021). According to Jones et al. (2019), empowering small and micro retailers within telecom distribution channels enhances local economic participation by fostering entrepreneurship and generating employment opportunities.

Furthermore, telecom retail shops are pivotal in promoting financial inclusion through mobile money services, especially in regions with limited access to traditional banking (Adams & Mwangi, 2022). Research by Chen and Park (2020) emphasizes the importance of digital literacy initiatives at retail points, which improve customer engagement and facilitate the effective use of telecom services. Additionally, pricing strategies tailored to low-income users have been shown to increase adoption rates and contribute to sustainable growth in telecom markets (Garcia & Patel, 2018).

The role of policy frameworks and public-private partnerships is also underscored in the literature as vital for incentivizing infrastructure investments and enabling telecom operators to expand retail networks in underserved regions (Nguyen, 2021; World Bank, 2023). Collectively, these findings indicate that telecom retail networks, when strategically developed and supported, can serve as strong drivers of inclusive socioeconomic development.

2.5 Review on Previous Studies

Christaller's (1933) Central Place Theory offers a geographical perspective by explaining that retail outlets typically cluster in central locations to maximize accessibility, forming a hierarchical structure where urban centers provide a wider array of services while rural areas cater primarily to basic needs. This framework is particularly useful for understanding the spatial distribution of telecom retail outlets in regions with varying population densities.

McGoldrick (2002), in his seminal work Retail Marketing, introduced the Retail Distribution Theory, which underscores the role of retailers as crucial intermediaries that enhance market efficiency by bridging producers and consumers. This theory stresses the necessity for retail strategies to be adapted to local consumer preferences and efficient supply chain management to minimize operational inefficiencies.

Barca, McCann, and Rodríguez-Pose (2012) advocate for place-based strategies tailored to the unique social, economic, and infrastructural assets of each region, emphasizing that such localized approaches are vital for sustainable regional growth.

Prepletaný (2013) demonstrated how digital innovations such as self-service technologies, RFID, and data analytics have revolutionized retail operations in Denmark by improving efficiency, personalization, and automation. Together, these theoretical and empirical insights frame the telecom retail sector's development as contingent upon tailored local strategies, technological integration, and customer-centric approaches, all of which are critical for achieving inclusive growth in Myanmar's evolving telecom landscape.

Zin Mar Soe (2016) highlighted deficiencies in personalized customer engagement at the grassroots level within MPT's marketing strategies, calling for enhanced local marketing efforts, deeper customer relationships, and expanded rural service access to boost adoption.

Hnin Yee Hpwe (2021) identified key challenges such as a lack of retail standardization, low technology adoption, and supply chain weaknesses in Yangon's telecom retail market, recommending digital transformation, workforce training, and improved operational frameworks as essential steps for sectoral strengthening.

CHAPTER III
OVERVIEW OF THE TELECOMMUNICATIONS INDUSTRY RETAIL SECTOR

3.1 Historical background of the Telecommunication Industry Retail Sector

Before the express telecommunications industry retail sector, explain the history of telecommunication operators in Myanmar. Myanmar Posts and Telecommunications (MPT) is the first and oldest telecommunications operator in Myanmar, with origins dating back to 1884, during the British colonial era. As the pioneering force in the country's telecommunications landscape, MPT has played a central role in the development of both fixed-line and mobile communication infrastructure across the nation. For decades, MPT operated as a State-Owned Enterprise (SOE) under the direct control of the Ministry of Communications and Information Technology (later restructured under the Ministry of Transport and Communications). During this period, particularly under the socialist regime (1962–1988) and military government (1988–2011), MPT held a monopoly over the country's telecommunications services. Its operations were characterized by limited infrastructure, low network coverage, and high service costs due to tight state control, underinvestment, and restricted foreign competition.

Under these limitations, MPT was responsible for maintaining core communication infrastructure, including:

- Fixed-line telephone services
- Telegraph and telex systems
- Satellite and international gateway operations

Until 2013, MPT remained Myanmar's sole telecommunications operator, providing basic telecommunication services to government institutions, businesses, and the general public.

With the country's economic and political liberalization beginning in 2011, the reforms in the telecom sector have been implemented to enhance service quality, expand access, and introduce competition. In July 2014, MPT and KSGM signed a historic Joint Operations Agreement. (KDDI Summit Global Myanmar), a consortium formed by KDDI Corporation and Sumitomo Corporation of Japan.

In 2013, Myanmar issued telecom licenses to two foreign operators Telenor and Ooredoo, breaking the long-standing monopoly of MPT. These new entrants introduced competitive pricing, wider service coverage, and innovative retail strategies. With the entry of foreign operators like Telenor and Ooredoo, competition intensified, leading to significant reductions in SIM card prices—from over 200,000 MMK in 2012 to just 1,500 MMK by 2014 (GSMA, 2015). Mobile penetration surged from less than 10% in 2012 to over 100% by 2020 (World Bank, 2021). This rapid expansion created enormous demand for telecom retail services, including SIM sales, top-up cards, mobile accessories, and device repair. One of Myanmar's four national telecom providers, Mytel, is a big joint venture involving both domestic and foreign enterprises. On January 12, 2017, Mytel, formally known as Telecom International Myanmar Co., Ltd., received its telecom license, making it the fourth company to enter Myanmar's open telecom industry.

Table 3.1 Telecom Operators in Myanmar: Establishment Timeline and Ownership Structure

No	Telecom Operator Name	Year Established / Entered Market	Ownership
1	MPT	Originally, in 1884 (colonial era), it evolved into modern telecom in the 1990s	State-owned (MOCT) with KDDI & Sumitomo (Japan) partnership since 2014
2	Ooredoo	2014 (license awarded)	Ooredoo Group (Qatar)
3	Telenor	2014 (license awarded)	Originally, Telenor Group (Norway)
4	MYTEL	2018	Viettel (Vietnam, 49%), Star High Co. 28%, Myanmar National Telecom Holding Public Co.23%
5	ATOM	Telenor rebranded as ATOM in 2022	M1 Group & Shwe Byain Phyu (Myanmar)

Source: MPT, Ooredoo, Telenor, Mytel, ATOM official website

Table 3.1 shows a structured overview of Myanmar's telecommunications operators, reflecting the sector's transformation from a state-controlled monopoly into a diversified and competitive market. Foreign direct investment, the emergence of public-private partnerships, and the emergence of new forms of telecom development in Myanmar. The entry of multiple operators post-2013 liberalization introduced new technologies, competitive pricing, and broader service coverage, while rebranding and ownership transitions—such as Telenor's shift to ATOM—highlight the evolving regulatory and geopolitical dynamics. The composition and structure of ownership among these operators reveal the interplay between state interests, international partnerships, and domestic business groups in the strategic telecom sector.

3.2 Retail Sector Classification and Telecom Product Portfolios

The telecommunications retail sector has developed a type of retail infrastructure that enables widespread access to mobile services, digital devices, and payment solutions. The key retail types include brand stores or showrooms, points of sale (PoS), and modern trade shops, each fulfilling a different role in the distribution ecosystem.

(i) Brand stores are formal, operator-managed outlets that deliver a full suite of services, ranging from SIM registration to device sales and after-sales support, while reinforcing brand visibility.

(ii) Points of sales, on the other hand, represent the most numerous and geographically dispersed retail outlets, often operated by independent agents or micro-entrepreneurs. These outlets focus on essential and high-frequency transactions such as SIM card activation, top-ups, and accessory sales.

(iii) Modern trade shops, although fewer in number, represent the emerging organized retail channel located in urban commercial spaces such as shopping malls and supermarkets (GSMA, 2023; MoTC, 2022).

Across these retail channels, telecom operators provide a standardized set of products and services. These include SIM cards (prepaid, postpaid, and tourist SIMs), which require identity verification through a national registration card (NRC) or passport as per regulatory compliance; top-up and payment options via electronic voucher distribution (EVD), scratch cards, and mobile money, which remain the most frequent walk-in services; and mobile and internet devices, such as smartphones, feature phones, routers, and pocket Wi-Fi units. These are often sold bundled with data plans to enhance affordability and adoption. Retail outlets also offer accessories like chargers and headphones, which are considered high-margin items for retailers. Additionally, value-added services (VAS) including entertainment packages, data bundles, and app subscriptions are heavily promoted at retail sites due to their high usage rate. A subset of authorized retail outlets also provides business solutions, such as enterprise SIM cards and dedicated internet packages tailored to SMEs, NGOs, and government entities. Overall, the retail sector is a critical component of Myanmar's telecom ecosystem, enabling last-mile service delivery, customer engagement, and digital inclusion across urban and rural populations (ITU, 2022; Telecom Retail Study, 2024).

Table 3.2 Telecom Products and Services Sold at Retail Shops

No	Categories	Products	Remark
1	SIM Cards	Prepaid, Postpaid, and Tourist SIM	Require NRC/passport for registration
2	Top-Ups and Payments	EVD, scratch cards, mobile money	Most frequent walk-in transactions
3	Mobile Devices	Smartphones, feature phones	Often bundled with SIMs/data
4	Internet Devices	Pocket Wi-Fi, routers	Sold with data SIMs or packages
5	Accessories	Chargers, cases, headphones	High-margin items for retailers
6	VAS	Data packs, entertainment	Add-on services with high demand
7	Business Services	B2B SIM and Internet Plan	Only in authorized stores

Source: MPT, Ooredoo, Telenor, Mytel, ATOM retail shops survey data

3.3 The Growth of the Telecommunication Retail Sector

Following the liberalization of Myanmar's telecommunications sector in 2013, the country witnessed explosive growth in mobile phone usage, internet connectivity, and retail activity. The retail landscape responded swiftly. Informal kiosks, street vendors, and formal telecom outlets began operating across urban centers, small towns, and even rural villages. In cities like Magway, local entrepreneurs opened authorized retail points and mobile shops affiliated with major operators, transforming the local commerce environment. Telecom brands also adopted franchise and partnership models to rapidly expand their physical presence.

Digital service usage, including mobile money, e-commerce, and social media, further fueled retail demand. Retail shops evolved into multipurpose service hubs, offering not only products but also support for mobile banking, mobile applications, and customer registration (LIRNEasia, 2019). By 2024, the telecom retail sector had become an essential component of Myanmar's digital economy, contributing to job creation and rural connectivity.

However, growth has been uneven. While urban centers enjoyed faster retail development, rural regions faced barriers like poor infrastructure, supply chain disruptions, and digital illiteracy. Additionally, political instability since 2021 and economic uncertainties have posed new challenges to the sustainability of telecom retail operations (International Crisis Group, 2022).

3.3.1 Rise in Mobile Penetration and SIM Accessibility

The mobile subscriber penetration in Myanmar rose from just 10% in 2012 to over 100% by 2020, reflecting widespread multi-SIM usage and the growing demand for mobile services. This rapid growth significantly contributed to digital inclusion, enabling millions of Myanmar citizens to access mobile voice, internet, and digital financial services for the first time.GSMA (2021). Moreover, the new SIM users registration requirements need national identification (NRC) cards and passports, as regulated by the Posts and Telecommunications Department (PTD), ensuring better regulation of SIM distribution while maintaining accessibility (PTD, 2019). The expansion of SIM accessibility also led to the emergence of new business opportunities in the telecom retail sector, as retailers began to offer bundled packages, data plans, and value-added services.

The rise in mobile penetration and SIM accessibility has been a cornerstone of Myanmar's digital transformation. It not only connected millions to communication networks but also laid the foundation for broader socio-economic development, particularly in the areas of e-commerce, mobile banking, education, and rural connectivity.

3.3.2 Expansion and Digital Integration of Telecom Retail Networks

The rising demand for mobile connectivity and services has led telecommunications companies in Myanmar have adopt aggressive and innovative retail distribution strategies. These included forming partnerships with local vendors, launching franchising models, and establishing an extensive retail footprint across both urban and rural areas. In regions such as Magway, retail shops began to improve in city centers, rural townships, and along major transportation routes. These retail shops not only sold SIM cards, top-up vouchers, mobile devices, and accessories but also evolved into multifunctional service points offering mobile money registration, customer verification, and product support (LIRNEasia, 2019; GSMA, 2020).

With the widespread usage of smartphones and the increasing demand for digital services, telecom retail shops began to play a more significant role as access points for digital platforms. Retail outlets provided services such as mobile money onboarding, app installations, digital literacy assistance, and troubleshooting. Many shops served as agents for services like Wave Money, KBZPay, Mytepay, and AYA Pay, especially in remote areas with limited access to banking infrastructure (GSMA, 2020). This integration positioned telecom retailers as critical enablers of Myanmar's digital economy and financial inclusion strategy.

3.4 Challenges and Constraints in the Telecommunications Retail Sector

The telecommunications retail sector in Myanmar continues to face persistent challenges that limit its sustainability and inclusiveness. Key barriers include poor infrastructure, low digital literacy, regulatory inconsistency, and ongoing economic instability.

(i) Infrastructure and Connectivity Barriers

Many retail shops operate in areas with unstable electricity, limited internet, and poor transportation infrastructure. These issues disrupt daily operations and prevent reliable service delivery, especially in rural regions. Without infrastructure improvements, retail expansion remains concentrated in semi-urban areas, leaving remote communities underserved (ADB, 2020).

(ii) Digital Literacy and Capacity Gaps

Both customers and retail operators often lack the skills needed to engage with digital services like mobile money, e-wallets, or app-based platforms. This limits the ability of telecom retail shops to function as digital service hubs. Targeted training and capacity-building programs are essential to close this gap and promote digital inclusion (LIRNE Asia, 2019).

(iii) Regulatory and Economic Challenges

Retailers frequently face unclear licensing requirements and inconsistent enforcement, particularly those operating informally. Since the political crisis in 2021, the sector has also struggled with inflation, currency devaluation, and supply chain disruptions. These factors reduce profitability, limit product availability, and weaken consumer demand, threatening long-term viability (World Bank, 2023).

3.5 Opportunities for Growth in the Retail Sector

The challenges facing the telecom retail sector, significant opportunities for expansion and improvement remain, particularly in emerging regional markets like Magway. The steady growth of mobile and internet penetration presents a strong foundation for telecom retail development. With over 70% of the population using mobile services and increasing demand for smartphones and mobile data, there is potential to expand product and service offerings in both urban and semi-urban townships (GSMA, 2021).

One promising opportunity lies in digital financial services. As mobile banking, e-wallets, and cashless payments become more common, retail outlets can serve as trusted access points for digital finance particularly in areas lacking formal banking infrastructure. This dual role as telecom and financial service providers can increase customer traffic and revenue while supporting national goals for financial inclusion (UNCDF, 2020).

Additionally, youth entrepreneurship is rising in Myanmar. Young people are increasingly opening mobile shops, digital kiosks, or becoming agents for major telecom brands. With proper training and capital access, they can drive innovation and local job creation. The government and private sector can further encourage this by offering small-business grants, digital literacy programs, and public-private partnerships aimed at expanding last-mile telecom services.

Moreover, rural expansion presents untapped potential. As infrastructure improves, retail shops can extend into underserved villages and become community-level digital access hubs. Aligning retail growth with national digital transformation strategies will be essential for inclusive economic development.

CHAPTER IV
SURVEY ANALYSIS

4.1 Survey Profile

The survey for this study was conducted among key stakeholders in the telecommunication retail sector in the Magway Region, including retail shop owners, sales staff, customers, and local distributors. A total of 300 respondents were selected through purposive and convenience sampling methods to ensure the inclusion of individuals directly involved in or affected by the industry. The demographic characteristics of the respondents included a mix of genders, age groups, and occupational backgrounds.

Table 4.1 Average Retail Shop per Telephone Operator in Magway Region

Type of Retail	Total Average Stores	Percentage
Brand Store or Showroom	7	0.2
Points of Sale	3146	99.3
Modern trade shops	17	0.5

Source: Survey Data, 2025

According to Table 4.1, the retail landscape of the telecommunications sector in the Magway Region is heavily dominated by Points of Sale (POS), which account for 99.3% of the total retail outlets. With an average of about 3,146 POS, these small-scale retail sectors serve as the primary distribution and service points for telecom operators, especially in semi-urban and rural areas. On the other hand, brand stores or showrooms, which represent the official, operator-owned retail presence, are significantly fewer, averaging only 7 outlets, or 0.2% of total retail shops. These locations are typically located in major towns like Magway and Pakokku and are used to showcase products, offer premium customer services, and reinforce brand image. Additionally, modern trade shops, such as telecom sections within convenience stores

or malls, make up just 0.5%, with an average of 17 outlets. This distribution reflects the sector's reliance on wide-reaching informal or semi-formal sales channels, which are critical for service accessibility in less-developed areas of the region. The disproportionate presence of POS over formal outlets also indicates both the opportunity and need for strategic retail network development in the Magway Region to improve service quality, visibility, and consumer trust.

4.2 Survey Design

The survey used a structured questionnaire with five parts: personal information, current retail practices, customer behavior, operational challenges, and perceived opportunities. Likert scale questions were used to gauge the perceptions and attitudes of respondents towards various aspects of the retail sector, such as product availability, service quality, infrastructure support, and marketing effectiveness. The questionnaire was pre-tested with a small sample to ensure clarity and relevance before full distribution. Data collection was carried out over two weeks using face-to-face interviews and digital platforms to reach a broader audience. The survey design emphasized simplicity, neutrality, and cultural appropriateness to facilitate accurate and honest responses from participants.

The majority were between 25 and 45 years of age and had experience in retail or technology-related fields. The survey aimed to capture insights into customer satisfaction, supply chain dynamics, pricing trends, digital connectivity, and the regulatory environment. This profile ensures the survey results are relevant to understanding the current challenges and future opportunities for telecommunication retail businesses in Magway Division.

4.3 Survey Results

This section presents the key findings derived from the survey conducted among various stakeholders in the telecommunication retail sector within the Magway Division. The primary aim was to explore the existing challenges and emerging opportunities that influence the growth and sustainability of retail businesses in this sector. Respondents included retail owners, staff, and consumers who provided valuable insights into operational practices, market dynamics, and customer preferences. The collected data reflects a diverse range of experiences, highlighting issues such as limited access to modern infrastructure, inconsistent product supply,

pricing competition, and gaps in digital literacy. At the same time, the responses also indicate areas of opportunity, including increased demand for mobile data, growing consumer interest in smart devices, and potential support from digital transformation initiatives. The findings from this survey provide a comprehensive understanding of the local retail landscape and inform recommendations for future development strategies in the region.

4.3.1 Demographic Information

The demographic section of the survey aims to gather essential background information on the respondents to ensure a clear understanding of the population participating in the study. Questions were designed to capture data on age, gender, education level, occupation, income range, and telecom operator usage. These variables help identify patterns and relationships between demographic factors and the use or perception of telecommunication retail services. Understanding the respondents' profiles allows for more accurate interpretation of the survey results and supports meaningful conclusions regarding the challenges and opportunities in the Magway Division's telecom retail sector.

Table 4.2 Demographic Information

No.	Items	Description	Respondents	Percentage
1	Age	Under 20	52	17.3
		21-30	74	24.7
		31-40	87	29.0
		41-50	43	14.3
		Over 50	44	14.7
2	Gender	Male	178	59.3
		Female	122	40.7
3	Education	Primary	2	0.7
		Secondary	43	14.3
		High School	101	33.7
		Bachelor's	152	50.7
		Postgraduate	2	0.7

Table 4.2 Demographic Information continued.

4	Occupation	Student	15	5.0
		Private Sector	142	47.3
		Government Staff	92	30.7
		Business Owner	49	16.3
		Other	2	0.7
5	Monthly Income Range	Under 100,000 MMK	1	0.3
		100,001–300,000	72	24.0
		300,001–500,000	160	53.3
		Over 500,000 MMK	67	22.3
6	Mainly use Telecom operator	MPT	61	20.3
		Ooredoo	39	13.0
		ATOM	59	19.7
		Mytel	141	47.0
7	Telecommunication Services are regularly used	Yes	252	84.0
		No	48	16.0

Source: Survey data,2025

According to Table 4.2, the demographic profile of the 300 respondents reveals a diverse group of participants. The majority (29%) are between 31–40 years of age, followed by 24.7% aged 21–30, indicating that the telecom retail sector primarily engages working-age adults. In terms of gender, 59.3% are male and 40.7% female, reflecting a moderate gender balance. Educational attainment is relatively high, with over half (50.7%) holding a bachelor's degree and 33.7% completing high school, suggesting that respondents are fairly well-educated.

Regarding occupation, 47.3% are employed in the private sector, while 30.7% are government staff and 16.3% are business owners, indicating active economic involvement. Income levels also vary, with the majority (53.3%) earning between 300,001–500,000 MMK monthly. In terms of telecom usage, Mytel is the most preferred operator (47%), followed by MPT (20.3%). Notably, 84% of respondents confirmed they use telecommunication services regularly, supporting the relevance of this study’s focus on the retail sector.

4.3.2 Awareness and Perceptions

This section evaluates the awareness and perceptions of consumers regarding the telecommunication retail sector in the Magway Division. It focuses on respondents' familiarity with local telecom retail shops, their views on service quality, pricing, product availability, and customer service experiences. The data also explores whether respondents perceive telecom retailers as contributing to regional development and whether they are likely to recommend their service providers to others. Understanding public awareness and perception is essential for identifying service gaps, consumer satisfaction levels, and potential areas for improvement in the telecom retail industry.

Table 4.3 Awareness and Perceptions

No	Statement	Mean	Std Dev
1	I am aware of different telecom retail shops in my area.	3.59	1.28
2	Telecom services in Magway meet my daily communication needs.	3.68	1.29
3	I find it easy to access telecom services in my area.	3.58	1.20
4	The pricing of telecom products is reasonable.	3.53	1.14
5	Telecom retailers are knowledgeable and helpful.	3.49	1.08
6	I have experienced poor customer service in telecom retail shops.	3.56	1.05
7	Telecom retail shops are important for regional development.	3.81	0.94
8	I am satisfied with the availability of mobile accessories in local shops.	3.64	0.99
9	More telecom retail shops would improve service quality.	3.67	0.95
10	I am willing to recommend my telecom provider to others.	3.58	1.19
	Overall Mean	**3.61**	

Source: Survey data,2025

According to Table 4.3, this section examines respondents' awareness of telecom retail services and their perceptions toward service quality and availability in the Magway Region. The overall mean score across all statements is 3.61, indicating a generally positive perception.

The highest mean score was observed for the statement "Telecom retail shops are important for regional development" (M = 3.81, SD = 0.94), suggesting that a majority of respondents strongly believe in the developmental value of telecom infrastructure at the local level. This is closely followed by "Telecom services in Magway meet my daily communication needs" (M = 3.68, SD = 1.29) and "More telecom retail shops would improve service quality" (M = 3.67, SD = 0.95), reflecting a moderate level of satisfaction and the perceived need for expanded access.

Notably, "I have experienced poor customer service in telecom retail shops" recorded a mean of 3.56 (SD = 1.05), which highlights room for improvement in customer service delivery. Similarly, perceptions around pricing (M = 3.53) and staff helpfulness (M = 3.49) show moderate agreement, with relatively low standard deviations, implying a degree of consistency in respondent experiences.

Although the awareness level was reasonably high (M = 3.59, SD = 1.28), the variability suggests differences in exposure or retail penetration across locations. The lowest variability was found in the response to the developmental importance of retail shops (SD = 0.94), indicating a widely shared belief in their value to the community.

4.3.3 Customers' Perception, Challenges in the Retail Sector, Opportunities, and Growth Potential

This section focuses on respondents' perceptions regarding the quality of services provided by telecom retail shops in the Magway Division. Participants rated various aspects of service quality, including the availability of product information, staff behavior, responsiveness to customer issues, product variety, and pricing transparency. These indicators help assess the effectiveness of customer service and the professionalism of telecom retail operations. Evaluating service quality from the customer's perspective is essential for identifying strengths and weaknesses in retail performance, which can inform strategies for enhancing consumer satisfaction and business competitiveness.

Table 4.4 Customers' Perception of Telecom Retail Shop

No	Description	Mean	Std Dev
1	The telecom retail shops in Magway provide adequate information about products.	3.20	1.17
2	Staff at telecom shops are friendly and professional.	3.52	1.07
3	Telecom shops respond quickly to customer issues.	3.07	1.24
4	The shops offer a wide range of telecom-related products.	3.38	1.19
5	Prices of products and services are communicated.	3.49	1.04
	Overall Mean	**3.33**	

Source: Survey data, 2025

According to Table 4.4, the perception of service quality among respondents was measured using five key indicators, with a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The overall mean score of 3.33 with a standard deviation of 1.14 indicates a moderate level of satisfaction with telecom retail services in Magway.

The highest-rated item was staff friendliness and professionalism, with a mean of 3.52, suggesting generally positive interactions with retail employees. This is closely followed by the clarity of product and service pricing (3.49), reflecting a fair level of transparency. Respondents also acknowledged the availability of a variety of telecom-related products (3.38), although there remains room for improvement. However, the lowest-rated aspect was the promptness in responding to customer issues (3.07), indicating a service gap in after-sales support. The provision of adequate product information scored 3.20, showing a neutral perception. Overall, while service quality is perceived as acceptable, targeted improvements are necessary to enhance customer experience.

4.3.4 Challenges in the Retail Sector

This section explores the key challenges affecting the development and efficiency of the telecommunication retail sector in the Magway Division. Respondents were asked to evaluate several structural and operational obstacles using a Likert scale. The indicators include poor internet infrastructure, unreliable electricity supply, limited retail access in rural areas, low digital literacy among users, and insufficient staff training. These factors significantly influence the performance and sustainability of telecom retail operations. Understanding these challenges is essential for stakeholders and policymakers to develop targeted strategies that address service limitations and promote inclusive telecom development across the region.

Table 4.5 Perceived Challenges Affecting the Telecommunication Retail Sector

No	Description	Mean	Std Dev
1	Poor internet infrastructure limits telecom retail development.	2.75	1.14
2	Electricity issues affect telecom services.	3.73	0.99
3	Rural areas have fewer telecom shops than urban areas.	3.93	0.83
4	Low digital literacy hinders telecom service adoption.	3.38	0.89
5	Lack of training for retail staff reduces service quality.	3.58	1.02
	Overall Mean	**3.47**	

Source: Survey data,2025

Table 4.5 presents key challenges identified by respondents that impact the development of the telecommunication retail sector in the Magway Division. The overall mean score of 3.47 (St.d = 0.97) suggests that respondents moderately agree with the presence of structural and operational barriers affecting the sector.

The highest-rated challenge is the limited presence of telecom shops in rural areas (mean = 3.93, St.d = 0.83), indicating that retail services are still concentrated in urban centers. This spatial imbalance hinders equitable telecom access, especially in underserved villages, and contributes to regional digital divides.

Electricity issues follow closely with a mean score of 3.73, highlighting frequent power outages or unstable supply as major obstacles for telecom operations, especially for device charging, top-up services, and point-of-sale technologies.

The lack of training for retail staff also scores relatively high (mean = 3.58), reflecting concerns about poor customer service quality, limited technical know-how, and the inability of staff to promote or explain digital services effectively.

Low digital literacy among users and operators (mean = 3.38) is another critical barrier, as it affects the adoption and proper utilization of digital tools such as mobile money, app services, and telecom platforms.

In contrast, poor internet infrastructure has the lowest mean score of 2.75, though still a valid concern. The relatively lower agreement may reflect that basic mobile connectivity is available in many parts of Magway, but quality and speed issues remain problematic.

In summary, these findings underscore that geographic disparities, infrastructural deficits, and capacity limitations are the most pressing challenges. Addressing these barriers through infrastructure investment, training programs, and targeted rural expansion strategies is essential for inclusive telecom retail development in the Magway region.

4.3.5 Opportunities and Growth Potential

This section highlights the emerging opportunities and growth potential within the telecommunication retail sector in the Magway Division. As digital connectivity expands, there is a rising demand for mobile and internet services, especially among the youth population. This trend creates possibilities for job creation, entrepreneurship, and economic empowerment. Moreover, collaboration with local governments and public-private partnerships can enhance telecom accessibility in underserved areas. Improved services also have the potential to support education and small businesses. By investing in training programs and local initiatives, the telecom sector in Magway can be positioned for sustainable growth and regional development.

Table 4.6 Perceived Opportunities and Growth Potential in the Telecommunication Retail Sector

No	Description	Mean	Std Dev
1	The demand for mobile and internet services is increasing in Magway.	3.55	0.97
2	Investment in telecom retail can create local job opportunities.	3.37	0.78
3	Youths are more interested in digital services and telecom products.	3.55	0.97
4	Collaboration with local governments can improve telecom reach.	3.47	1.19
5	Improved telecom services can support education and small businesses.	3.48	1.16
6	Local entrepreneurship in telecom can be encouraged.	3.49	1.07
7	Technology training programs can support telecom industry growth.	3.60	0.91
8	Public-private partnerships are essential for developing the telecom sector.	3.51	1.08
	Overall Mean	**3.50**	

Source: Survey data,2025

According to the survey responses in Table 4.6 reveal strong optimism is revealed among participants regarding the future development of the telecommunication retail sector in the Magway Division. The overall mean score of 3.50 with a standard deviation of 1.02 suggests a generally positive perception of emerging opportunities in this sector.

The highest-rated item is the potential of technology training programs to support telecom industry growth, with a mean score of 3.60, indicating strong confidence in skill development as a key enabler. Similarly, both rising demand for mobile and internet services and youth interest in digital products scored 3.55, reflecting a growing consumer base and market expansion potential.

Other significant areas include public-private partnerships (3.51), local entrepreneurship (3.49), and support for education and small businesses (3.48) through improved telecom services. The belief that collaboration with local governments could improve service reach also received a favorable rating (3.47). Although slightly lower, the perception that investment in retail can create local jobs still received a positive mean score of 3.37. These findings suggest that, despite existing challenges, stakeholders see clear pathways for sustainable growth through strategic investment, collaboration, and skill development in Magway's telecom retail sector.

Table 4. 7 Summary Result of Overall Mean Value

No	Description	Mean	St.d
1	Awareness and Perception	3.61	1.11
2	Customer's Perception of Telecom Retail Shops	3.33	1.14
3	Perceived Challenges Affecting the Telecommunication Retail Sector	3.47	0.97
4	Perceived Opportunities and Growth Potential In the Telecommunication Retail Sector	3.50	1.02

Source: Survey data, 2025

1. Awareness and Perception

Respondents in the Magway Region generally demonstrated a positive level of awareness and perception toward telecom retail services. Most participants were familiar with local telecom shops and acknowledged their importance in facilitating digital connectivity and regional development. While a majority agreed that services met their communication needs, some expressed dissatisfaction with pricing and accessibility. Although perceptions were mostly favorable, variability in responses reflects inconsistencies in service quality and infrastructure across locations. The data suggests that while awareness is high, further improvements in retail engagement, customer service, and equitable access can enhance public perception of telecom retail effectiveness.

2. Customer's Perception of Telecom Retail Shops

The overall customer perception in Magway's telecom retail shops is moderate. Respondents rated staff friendliness and professionalism positively, indicating satisfactory interpersonal service. However, there were lower scores in areas such as responsiveness to customer issues and the provision of adequate product information. These results highlight gaps in customer service delivery and suggest a need for staff training and operational improvements. Although product variety and pricing transparency were relatively well-received, the findings point to uneven service standards across outlets. Enhancing employee skills and standardizing service protocols could improve the overall customer experience in the sector.

3. Perceived Challenges Affecting the Telecommunication Retail Sector

Respondents identified significant structural and operational challenges facing telecom retail in the Magway Region. Chief among them were the limited availability of shops in rural areas and persistent electricity issues, both of which constrain access and business continuity. Digital illiteracy and lack of staff training were also noted as barriers to efficient service delivery. While poor internet infrastructure received the lowest challenge score, it remains a limiting factor for digital service adoption. The findings underscore the need for targeted infrastructure investment, staff capacity building, and digital literacy initiatives to address these barriers and foster equitable retail development.

4. Perceived Opportunities and Growth Potential

Survey responses indicate optimism about the growth potential of telecom retail in Magway. Participants emphasized rising demand for digital services, particularly among youth, and saw retail shops as engines of local job creation and economic activity. Opportunities were also identified in areas like digital finance, entrepreneurship, and partnerships with government entities. The highest-rated item highlighted the role of training programs in supporting sectoral growth. Respondents believed that improving retail capacity and outreach could contribute to education, small businesses, and community development. These insights reveal a favorable outlook for sustainable telecom retail expansion with the right support mechanisms.

CHAPTER V
CONCLUSION

5.1 Findings

The research identified several significant findings aligned with the study's objectives. First, in terms of challenges, the development of the telecommunication retail sector in Magway is hindered by infrastructure-related constraints such as limited internet access, unstable electricity supply, and insufficient connectivity in rural areas. The mean score for poor infrastructure (3.93 for rural shop scarcity and 3.73 for electricity issues) highlights these as major operational barriers. In addition, low digital literacy and a lack of training among retail staff further reduce the quality of customer engagement and limit the sector's potential to act as a digital access point in underserved communities.

Secondly, the study found a moderate level of consumer satisfaction with retail services. While customers generally perceive shop staff as professional (mean 3.52) and pricing as transparent (3.49), issues like delayed response to customer problems (3.07) and limited product information (3.20) reveal critical service gaps. Notably, 70.3% of respondents had experienced poor customer service, signaling a need for operational improvement.

The awareness and perception section indicated that while most consumers recognize the value of telecom retail shops (83.3%), more than 60% have faced service accessibility challenges. Furthermore, the survey confirmed that only 61% were willing to recommend their telecom provider, suggesting moderate customer loyalty.

Despite these challenges, the study also found strong optimism regarding future growth. The highest-rated opportunity was the introduction of technology training programs (mean 3.60), followed by rising consumer demand and youth interest in telecom products (mean 3.55). Respondents emphasized the potential of public-private partnerships, local entrepreneurship, and improved collaboration with local governments to enhance telecom access and economic inclusion.

Overall, the findings suggest that the Magway telecom retail sector operates in a constrained environment but possesses substantial untapped potential. By addressing existing service quality issues and enabling supportive policies and training programs, the region can benefit from inclusive digital transformation and rural economic development.

5.2 Suggestions

To effectively address the key challenges identified in this study and achieve its objectives, several actionable recommendations are proposed. First, improving infrastructure and access should be a top priority. Local authorities and telecom operators need to focus on expanding and upgrading infrastructure in rural and underserved areas. Ensuring a stable electricity supply and reliable internet connectivity will help bridge the digital divide, enabling more equitable access to telecommunication services. This development is essential for balanced growth across Magway and the surrounding regions.

Second, investment in digital literacy and training is crucial. Telecom companies, in collaboration with development organizations, should establish comprehensive training programs tailored for retail staff. These programs should encompass the use of digital services, effective customer management, and mobile financial tools. Enhancing the skills and knowledge of frontline retail workers will improve service quality, foster customer satisfaction, and promote the adoption of digital technologies within the community.

Third, encouraging youth entrepreneurship in the telecom retail sector can drive innovation and create employment opportunities. Support from government bodies and private stakeholders is needed to facilitate youth-led business initiatives. This support can take the form of microfinance schemes, startup incubators, and franchise opportunities, which empower young entrepreneurs to establish and grow retail outlets. By actively involving youth, the sector can inject fresh ideas and dynamism, contributing to its overall development.

Fourth, fostering public-private partnerships is essential to maximizing resources and outreach. Collaborative efforts between local governments, telecom operators, and NGOs can lead to improved infrastructure, wider service coverage, and effective community awareness campaigns focused on digital literacy and telecom services. Such partnerships leverage the strengths of each actor and enhance the impact of interventions.

Fifth, expanding the functionality of telecom retail shops beyond basic sales will help position them as vital digital hubs. Integrating services such as mobile banking, device repair, and digital registration can transform these shops into comprehensive service centers, especially important in areas with limited formal institutions.

Finally, policy and regulatory reforms are needed to support sector formalization and growth. Simplifying licensing procedures and broadening access to small-business financing for informal retailers will encourage investment and reduce operational uncertainties.

Collectively, these recommendations will enable the telecommunication retail sector in Magway to overcome its current challenges and unlock its full potential for inclusive digital and economic development.

REFERENCES

Asian Development Bank. (2014). *Myanmar: Unlocking the potential*. Manila, Philippines: Author.

Asian Development Bank. (2015). *Myanmar: Preparing the economy for development*. Manila, Philippines: Author.

ASEAN. (2020). Master Plan on ASEAN Connectivity 2025. Association of Southeast Asian Nations. https://asean.org

Asian Development Bank. (2020). Myanmar transport sector policy note. https://www.adb.org/publications

Asian Development Outlook 2021: Financing a green and inclusive recovery. Asian Development Bank. https://www.adb.org

APNIC Foundation. (2022). Digital inclusion and community networks in Southeast Asia. https://www.apnic.foundation

Barca, F., McCann, P., & Rodríguez-Pose, A. (2012). *The case for regional development policies*. OECD Regional Outlook.

Christaller, W. (1933). *Central Places in Southern Germany* (C. W. Baskin, Trans.). Englewood Cliffs, NJ: Prentice Hall.

Davidson, W. R., Sweeney, D. J., & Stampfl, R. W. (1988). *Retailing management* (6th ed.). Wiley.

EY. (2023). How telecom retail can meet customer needs in a digital-first world. EY Global.https://www.ey.com

GSMA. (2021). The Mobile Economy: Asia Pacific 2021. GSM Association. https://www.gsma.com

GSMA Intelligence. (2023). The future of telco retail: Towards an omnichannel world. https://www.gsmaintelligence.com

Hnin Yee Hpwe. (2021). *A study on the development of the retail sector in the telecommunication industry: Case study of telephone operations in Yangon* [Master's thesis, Yangon University of Economics].

International Labour Organization. (2018). *Myanmar's informal economy: Decent work challenges*. Geneva, Switzerland: Author.

International Finance Corporation. (2019). *Myanmar retail sector report*. Washington, DC: Author.

International Labour Organization. (2019). Retail employment and labor market trends. https://www.ilo.org

ITU. (2023). Measuring digital development: Facts and figures 2023. International Telecommunication Union. https://www.itu.int

Investopedia. (2023). What is the telecommunications sector? https://www.investopedia.com

IQmetrix. (2024). The state of the telecom retail market: Trends for 2025 and beyond. https://www.iqmetrix.com

LIRNEasia. (2016). AfterAccess: ICT Access and Use in Myanmar. https://lirneasia.net

LIRNEasia. (2019). *AfterAccess Asia: ICT access and use in Myanmar*. Retrieved from https://lirneasia.net

LIRNEasia. (2019). AfterAccess: ICT access and use in Myanmar. https://lirneasia.net

McGoldrick, P. J. (2002). *Retail marketing* (2nd ed.). McGraw-Hill.

Myanmar Centre for Responsible Business. (2021). *Myanmar ICT sector: Human rights and business risks*. https://www.myanmar-responsiblebusiness.org

National Retail Federation. (2019). The economic impact of the retail industry. https://nrf.com

Prepletaný, P. (2013). The impact of digital technologies on innovations in retail business models. *Studia commercialia Bratislavensia*, 6(21), 123–135.

Pinto, D. C., Herter, M. M., Rossi, P., & Borges, A. (2017). A new look at technology in the retailing environment. Journal of Retailing and Consumer Services, 36, 82–91. https://doi.org/10.1016/j.jretconser.2017.01.001

PTD. (2019). SIM Registration Guidelines. Ministry of Transport and Communications, Myanmar.

PwC. (2023). Mobile retailing: Redefining customer engagement in telecoms. https://www.pwc.com

Rogers, E. M. (2003). *Diffusion of innovations* (5th ed.). Free Press.

Stern, L. W., El-Ansary, A. I., & Coughlan, A. T. (1996). *Marketing channels* (5th ed.). Prentice Hall.

Sim Local. (2024). Why kiosks are the future of telco eSIM retail. https://www.simlocal.com/post/why-kiosks-are-the-future-of-telco-eSIM-retail

Telenor Group. (2014). *Myanmar market entry and regulatory environment*. Retrieved from https://www.telenor.com

TeleGeography (2017). Myanmar telecom market overview. https://www.telegeography.com

The Australian. (2020, October 20). Being green isn't expensive: TPG's Felix mobile brand will plant a tree for each month you stay. https://www.theaustralian.com.au

The Fast Mode. (2023, September 5). Device sale trends are changing: Telecom retailers should focus on better CX. https://www.thefastmode.com

UNCDF. (2020). *Digital finance in Myanmar: Market opportunity report*. Retrieved from https://www.uncdf.org

Vargo, S. L., & Lusch, R. F. (2004). Evolving to a new dominant logic for marketing. *Journal of Marketing*, 68(1), 1–17.

World Bank. (2012). *Myanmar: Towards a modern retail economy*. Washington, DC: Author.

World Bank. (2013). *Myanmar Economic Monitor: Realizing the potential of the telecom sector*. Washington, DC: Author.

World Bank. (2013). *Myanmar economic monitor: Telecommunications sector reform*. Washington, DC: Author.

World Bank. (2020). *Myanmar economic monitor: Restarting the economy*. Washington, DC: Author.

World Bank. (2022). Digital development overview. https://www.worldbank.org

World Bank. (2023). *Myanmar economic monitor: Digital resilience and local innovation*. Retrieved from https://www.worldbank.org

World Bank. (2023). Myanmar Economic Monitor: Coping with uncertainty. https://www.worldbank.org

Zin Mar Soe. (2016). *An analysis of the marketing strategies for the mobile network service of MPT* [Master's thesis, Yangon University of Economics].

APPENDIX I

QUESTIONNAIRE

"The Challenges and Opportunities of the Telecommunication Industry's Retail Sector in Magway Region"

Section A: Demographic Information

1. What is your age group?

   □ Under 20 □ 21–30 □ 31–40 □ 41–50 □ Over 50

2. What is your gender?

   □ Male □ Female

3. What is your highest level of education?

   □ Primary □ Secondary □ High School □ Bachelor's □ Postgraduate

4. What is your occupation?

   □ Student □ Private Sector □ Government Staff □ Business Owner

   □ Other

5. What is your monthly income range?

   □ Under 100,000 MMK □ 100,001–300,000 □ 300,001–500,000

   □ Over 500,000 MMK

6. Which telecom operator do you mainly use?

   □ MPT □ Ooredoo □ Telenor □ Mytel □ Other: _____

7. Do you use telecommunication services regularly?

   □ Yes □ No

Section B: Awareness and Perceptions

(Use: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)

No	Description	1	2	3	4	5
8	I am aware of different telecom retail shops in my area.					
9	Telecom services in Magway meet my daily communication needs.					
10	I find it easy to access telecom services in my area.					
11	The pricing of telecom products is reasonable.					
12	Telecom retailers are knowledgeable and helpful.					
13	I have experienced poor customer service in telecom retail shops.					
14	Telecom retail shops are important for regional development.					
15	I am satisfied with the availability of mobile accessories in local shops.					
16	More telecom retail shops would improve service quality.					
17	I am willing to recommend my telecom provider to others.					

Section C: Customer Perception, Challenges in the Retail Sector, Opportunities, and Growth Potential

(Use: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)

Customer Perception of Telecom Retail Shops

No	Description	1	2	3	4	5
18	The telecom retail shops in Magway provide adequate information about products.					
19	Staff at telecom shops are friendly and professional.					
20	Telecom shops respond quickly to customer issues.					
21	The shops offer a wide range of telecom-related products.					
22	Prices of products and services are communicated.					

Challenges in the Retail Sector

(Use: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)

No	Description	1	2	3	4	5
23	Poor internet infrastructure limits telecom retail development.					
24	Electricity issues affect telecom services.					
25	Rural areas have fewer telecom shops than urban areas.					
26	Low digital literacy hinders telecom service adoption.					
27	Lack of training for retail staff reduces service quality.					

Opportunities and Growth Potential

(Use: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)

No	Description	1	2	3	4	5
28	The demand for mobile and internet services is increasing in Magway.					
29	Investment in telecom retail can create local job opportunities.					
30	Youths are more interested in digital services and telecom products.					
31	Collaboration with local governments can improve telecom reach.					
32	Improved telecom services can support education and small businesses.					
33	Local entrepreneurship in telecom can be encouraged.					
34	Technology training programs can support telecom industry growth.					
35	Public-private partnerships are essential for developing the telecom sector.					

APPENDIX II

Telecommunication Industry Type of Retail Shops

Type of Retail Shops	Image Photos		
Brand Store or Showroom			
Points of Sale (POS			
Modern trade shops			

Source: MPT, Ooredoo, Telenor, Mytel website