

# Fighting the mobile clones in Africa

Operators could lose billions in revenues as a growing number of counterfeit phones end up on the continent's markets.

It's been revealed that 10-20 per cent of mobile phones currently coming into African networks are cloned or counterfeit, with Nokia and Samsung being the favourites for the fraudsters.

Over the next five years, Mobilethink predicts that more than 52 million smartphones activated on African networks will be fake. If banned, the firm says these devices could cost MNOs a cumulative loss of around USD6bn (based on 10 million new users each year with an ARPU of USD10 per month), or even higher given that smartphone users tend to generate higher revenues compared to feature phone users.

Mobilethink is part of the device intelligence business of test and measurement specialist Spirent Communications. It says the region's governments are becoming increasingly concerned about cloned and counterfeit devices due to issues of parallel importing, the risk they present to mobile payment systems, and their use of potentially hazardous materials. For instance, the company cites the Communications Authority of Kenya (formerly the Communications Commission of Kenya) which said sub-standard components are often used in manufacturing cloned devices. It warned that these have not been put through safety checks and might emit higher than recommended radiation levels.

MAKE	MODEL	CONFIGURATION	NUMBER OF SUBSCRIBERS
Simi	S40D	Manual	16,7832
DXD	S332	Manual	10,606
VINKO	Mini M9i	OTA	14,550
KGTEL	GX1i	OTA	14,775
G Vill	G8	OTA	26,664
DARAGO	i6	Manual	20,154
ENESMobile	220	Manual	9,567
Gresso	108	No data	14,506
Volte	E1105	Manual	10,074
S-Mobile	G6153	Manual	3,804
VELL-COM	TV205	Manual	35,763
KGTEL	Asha 210	Manual	57,830
T-com	T800	Manual	79,038
DKTORM	JOY	Manual	18,897

The above list of low-cost handsets were added to Mobilethink's database during September-October. Some of these devices support over-the-air settings, but most need to be manually configured by customers using guides sent to them by operators' customer care teams. This adds complexity for users.

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Some countries such as Kenya and Nigeria have introduced legislation ordering carriers to trace and block cloned and counterfeit devices. But Mobilethink points out that the sudden blocking of masses of devices is not only inconvenient for consumers, but could also be dangerous for those who rely on their mobiles for critical applications such as health, well-being, personal safety, etc. It adds that carriers will also suffer as the sudden shutdown of a device creates a significant churn threat and subsequent loss of income.

**Device intelligence**

As a result, the company has developed the *Device Intelligence Suite (DIS)*. It comprises various solutions for device management and customer engagement, and also includes a device database together with handset guides for customer call centres and over-the-air (OTA) self-care.

Mobilethink says its device management solution contains a unique algorithm for detecting and configuring up to 80 per cent of cloned and counterfeit handsets on the market. It also features a unique live IMEI pattern detection mechanism for differentiated handling of the activation of such devices.

The firm says its solution also gives the operator an opportunity to upsell. For instance, when blocking a particularly harmful cloned device, an operator can simultaneously allow services for a more benign type of cloned device for a limited period if the customer agrees to return the counterfeit handset in exchange for an original product.

In addition to the *DIS*, Mobilethink also offers a certification scheme where manufacturers can submit their phones for testing APN settings for networks. These settings are added to the company's library which is claimed to be the largest database of its kind in the world.

Around 20 African mobile operators are currently using Mobilethink's services in countries such as Congo, Ghana, Lesotho, Nigeria, Rwanda, South Africa, Uganda and Zimbabwe. The firm says the simple answer to prevent the problem of counterfeit phones on the continent is for end-users to think twice before buying "cheap" phones online.

But that's not going to happen, according to Mobilethink's head of marketing Mikko Nurimimaki. He adds that the problem is further exacerbated by the fact that of the 350 million smartphones expected

to come onto Africa's market by 2020, around 20 per cent will be low-cost models that do not support OTA configuration.

"If you ask a device manufacturer about customer care issues, it will almost certainly reply that this is the responsibility of the network operator," says Nurimimaki. "So when a subscriber signs up for a service and can't get online, the immediate reaction is to call an operator's care centre for support. The care centre can only send the subscriber a guide for self-configuration – this process is very long, detailed and challenging for most device owners.

"So the customer's experience in using a network is very poor. Until such time as end users understand the settings issue, Africa's cheap device dilemma will not go away."

Mobilethink's Mikko Nurimimaki says the simple answer to the problem of counterfeit phones is for end-users to think twice before buying "cheap" phones online.



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