

7 Conclusion

The model described in the work is the one of Klemperer (1987 b) adapted to the number portability question. The actual work basically attempted to the consequences coming from the variations in the switching cost with the approach of the number portability law. Besides of this, it looked to verify the distinctions in the effects of the occurrence focusing the different moments of same. To this, included a new variable that would represent the shock on the switching cost in the base model and searched these effects distinction in the empirical data.

The results in relation to the effects of the switching cost do not alter if compared to the one that occur in the model taken as a base. The main result shows that, even the cost is only charged in a second moment, changes in the cost because of occurrence of portability law can diminish the competition in the first period. This is due to the fact that in a first moment the companies compete by market share in a more aggressive way. Basically, because there is a switching cost in the following period. If it is expected a reduction occurrence, the market share obtainment loses its value. Public politics that would aim to raise the competition can, thus, get an inverse effect to the expected in a first moment.

The empirical study showed that the profit variables would vary positively in an environment of low penetration with the occurrence of the number portability law, this in control by a fixed effect of country and time. Justly the opposite occurs when the penetration is higher. Agreeing with the results gotten through the model. The results look enough strength. As much the duration model suggesting that the portability adhesion is almost exogenous as the results obtained with the lags model suggest such strength.

It is relevant to point out the importance of the study. Even being expected that the reduction in the switching costs could raise the competition, depending on the occurrence period and of the expectations in regard to the occurrence of the law, such a reduction could reverberate in the inverse effect to the expected one.

Thus, to the effects of the public politics with this study, it is possible to affirm that not only the politics is relevant, but also the adhesion moment.