Consumer Survey

European Telecommunications Network Operators' Association

PREPARED FOR:

April 2017

Ref. 17-004040-01

GAME CHANGERS

Content

Ipsos

1. Main Findings

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Main Findings

Ipsos

- **Telecoms services** are crucial and will remain so in the years to come, but online purchases and **online messaging and calling** will gain further importance
- 36% of consumers uses **streaming**, most of them via OTT services
- For **international calls**, most citizens use online services and expects to do this more and more
- When choosing a **mobile or fixed broadband provider**, quality is more important than price
- 68% of consumers prefers **bundles** rather than individual contracts
- Large majority of Europeans have abundant **choice** of broadband providers
- **Changing broadband provider** is first driven by the offer, then by price or a specific problem
- Majority of EU citizens are familiar with the broadband technology they use, but awareness and familiarity with features such as **Latency, Packet Loss & Jitter** is limited

2. Research Methodology

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Survey scope and approach

SAMPLE

- 10 countries (UK, France, Germany, Spain, Italy, Poland, Romania, Sweden, Bulgaria, The Netherlands).
- N=1000 per country
- Target: individual aged 15+
- Quota set on age (3 age groups), gender and region.

For more detailed profile countries: see appendix.

DATA COLLECTION

- Online interviews on Ipsos panel

FIELDWORK

- From February 27 till March 8 2017

QUESTIONNAIRE

- 10’ device agnostic questionnaire

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3. Key findings

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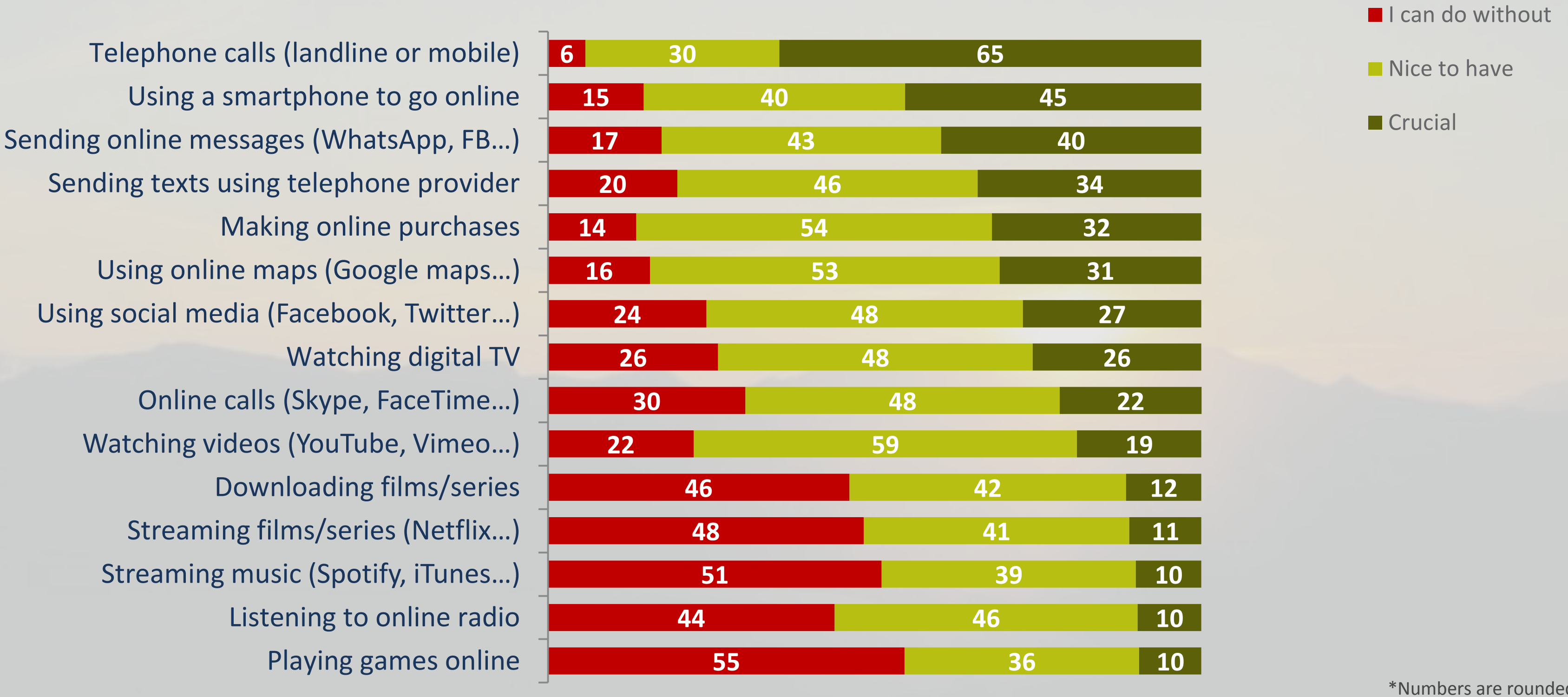
The telco sector is important for the quality of life, in particular the traditional communication services and mobile internet. Together with online purchases and online texting/calling, these services will also become more and more important in the future.

Ipsos

Telco is very important for the quality of daily life, in particular the traditional communication services and mobile internet.

Importance of different activities for quality of daily life



*Numbers are rounded

Base: n=1000/country

Ipsos

Traditional communication services and mobile internet are crucial for all generations. For generation Z and millennials social media and maps also add value to their life, while for older generations it's rather online purchase & digital TV.

% Crucial for quality of life (Top 5)	15-19 y.o. (n=832)	20-29 y.o. (n=1785)	30-39 y.o. (n=1902)	40-49 y.o. (n=2332)	50-59 y.o. (n=1956)	60+ y.o. (n=1194)
Telephone calls (landline or mobile)	**52%**	**64%**	**63%**	**68%**	**67%**	**65%**
Using a smartphone to go online	**57%**	**60%**	**52%**	**46%**	**33%**	**23%**
Sending online messages (WhatsApp, FB…)	**51%**	**53%**	**42%**	**38%**	**33%**	**25%**
Sending texts using telephone provider	**38%**	**42%**	35%	33%	**31%**	**26%**
Making online purchases	25%	35%	**38%**	**35%**	**29%**	23%
Using online maps (Google maps…)	20%	**39%**	**37%**	**33%**	27%	19%
Using social media (Facebook, Twitter…)	**41%**	38%	29%	25%	20%	15%
Watching digital TV	21%	24%	26%	28%	27%	**26%**
Online calls (Skype, FaceTime…)	24%	26%	22%	20%	21%	16%
Watching videos (YouTube, Vimeo…)	34%	27%	23%	16%	12%	8%
Downloading films/series	14%	17%	16%	10%	7%	4%
Streaming films/series (Netflix…)	19%	17%	14%	9%	6%	4%
Streaming music (Spotify, iTunes…)	22%	15%	11%	8%	5%	3%
Listening to online radio	8%	11%	12%	11%	7%	8%
Playing games online	20%	12%	11%	8%	7%	4%

Ipsos

Online purchase, mobile internet, traditional communication services and sending messages online are also the activities that will further gain importance

Services that will gain importance in daily life

Making online purchases	53%
Using smartphone to go online	51%
Telephone calls (landline or mobile)	45%
Sending online messages	45%

Using social media (Facebook, Twitter…)	39%
Using online maps (Google maps…)	38%
Online calls (Skype, Facetime…)	37%
Watching digital TV	33%
Watching videos (YouTube, Vimeo…)	33%
Sending texts using telephone provider	30%

Streaming films/series (Netflix…)	22%
Listening to online radio	20%
Downloading films/series	20%
Streaming music (Spotify, iTunes…)	17%
Playing games online	16%

Base: n=1000/country

Ipsos

ACTIVITIES THAT WILL GAIN IMPORTANCE IN LIFE ARE QUITE SIMILAR ACROSS GENERATIONS.... CONSUMERS OF THE FUTURE WILL USE THEIR SMARTPHONE MORE TO GO ONLINE.

Quality of daily life – Activities that will gain importance in the near future – By age

Top 5 item

% will gain importance	15-19 y.o. (n=832)	20-29 y.o. (n=1785)	30-39 y.o. (n=1902)	40-49 y.o. (n=2332)	50-59 y.o. (n=1956)	60+ y.o. (n=1194)
Making online purchases	**48%**	**53%**	**53%**	**56%**	**53%**	**49%**
Using smartphone to go online	**57%**	**53%**	**51%**	**54%**	**48%**	**41%**
Telephone calls (landline or mobile)	**42%**	**42%**	**41%**	**47%**	**49%**	**50%**
Sending online messages (WhatsApp, FB...)	**54%**	**49%**	**42%**	**45%**	**44%**	**40%**
Using social media (Facebook, Twitter...)	**51%**	**43%**	37%	38%	37%	33%
Using online maps (Google maps...)	32%	41%	**38%**	**41%**	**38%**	35%
Online calls (Skype, Facetime...)	40%	39%	36%	38%	36%	34%
Watching digital TV	30%	26%	31%	37%	38%	**37%**
Watching videos (YouTube, Vimeo...)	47%	39%	33%	33%	28%	23%
Sending texts using telephone provider	32%	29%	27%	31%	32%	31%
Streaming films/series (Netflix...)	33%	26%	27%	21%	18%	12%
Listening to online radio	17%	18%	22%	23%	21%	19%
Downloading films/series	25%	23%	22%	20%	18%	13%
Streaming music (Spotify, iTunes...)	30%	21%	20%	16%	13%	9%
Playing games online	26%	16%	16%	16%	13%	11%

Ipsos

Majority of EU-citizens uses the streaming services via another company than their telco provider.

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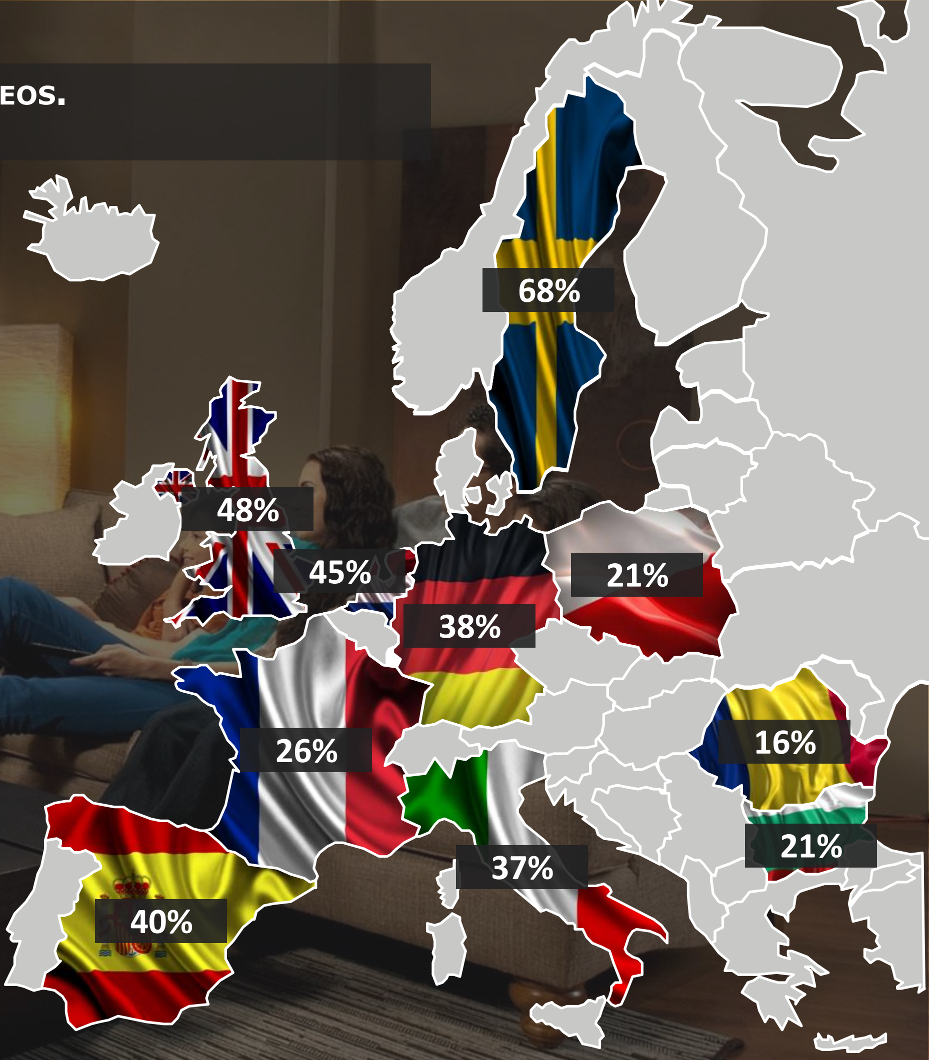
About one out of 3 EU citizens streams music or videos. Streaming is very popular in Northern Europe.



36%

Streams video or music

(eg. Netflix, Spotify, …)

Base: n=1000/country

Ipsos

STREAMING IS SKEWED TOWARDS YOUNG EU CITIZENS

36%

STREAMS VIDEO OR MUSIC

(EG. NETFLIX, SPOTIFY, ...)

AGE

15-19 y.o.	n=832	52%
20-29 y.o.	n=1785	47%
30-39 y.o.	n=1902	40%
40-49 y.o.	n=2332	32%
50-59 y.o.	n=1956	28%
60+ y.o.	n=1194	23%

Majority of EU citizens streams videos or music via a company other than their telco provider. This is the case in all countries but Bulgaria.

36%

Streams video or music

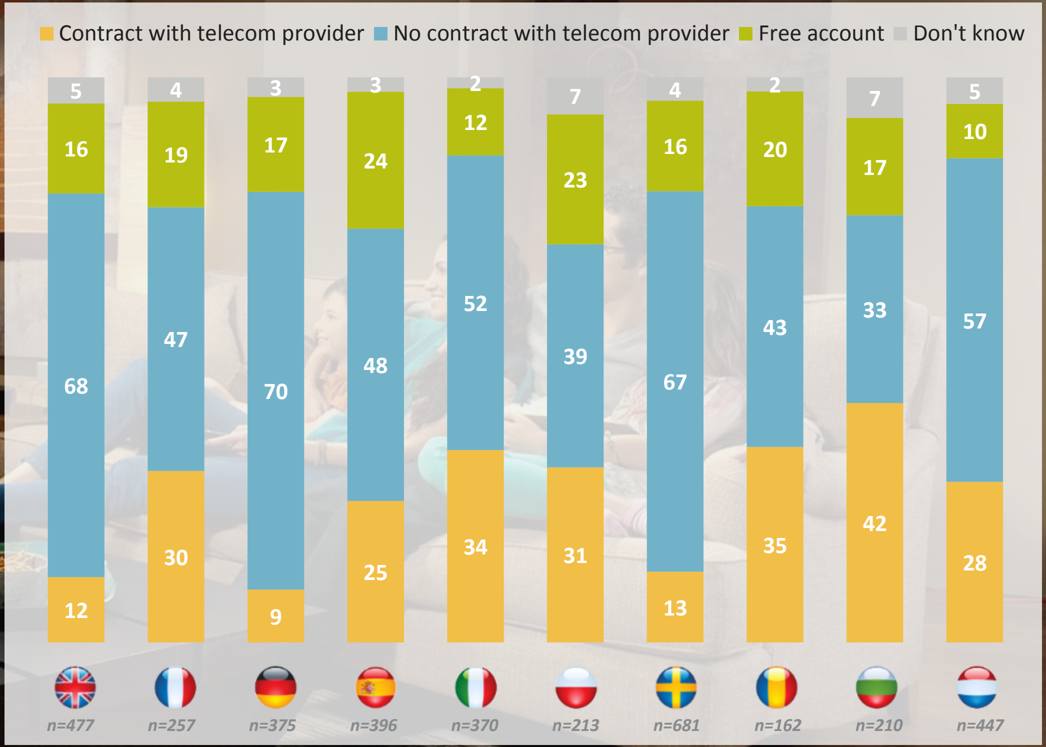
(eg. Netflix, Spotify, …)

Contract telecom provider **23%**

No Contract telecom provider **57%**

Free account **17%**

Don't know : 4%



Base: uses additional services in household

Ipsos

Online is at least as important for international calls as traditional telco, and will further gain importance.

GAME CHANGERS

Ipsos


ALMOST ONE OF OUT 2 EU CITIZENS HAS MADE AN INTERNATIONAL CALL IN THE PAST YEAR.
48%
HAS MADE INTERNATIONAL TELEPHONE CALLS
SAMSUNG
Base: n=1000/country

Ipsos

INTERNATIONAL CALLING VIA THE WEB IS HIGH IRRESPECTIVE OF AGE.
FUTURE CONSUMERS ARE EXPECTED TO USE MORE AND MORE ONLINE.

48%

INTERNATIONAL TELEPHONE CALLING IS DONE VIA...

TELECOM PROVIDER 38%

ONLINE 34%

USING BOTH 28%

AGE

	15-19 y.o.	20-29 y.o.	30-39 y.o.	40-49 y.o.	50-59 y.o.	60+ y.o.
	34%	49%	47%	49%	51%	48%
	n=287	n=869	n=897	n=1143	n=995	n=569
Telecom provider	33%	32%	38%	38%	40%	48%
Online	38%	40%	35%	34%	28%	30%
Using both	29%	28%	27%	28%	31%	22%

Ipsos

ONLINE WILL FURTHER GAIN IMPORTANCE FOR INTERNATIONAL CALLS.

THROUGH TELECOM PROVIDER ON A FIXED OR MOBILE PHONE	ONLINE (USING FACETIME, FACEBOOK, WHATSAPP, SKYPE, …)	USING BOTH REGULAR PHONE AND BROADBAND
20%	45%	35%

MAKING INTERNATIONAL CALLS IN THE NEAR FUTURE

Base: n=1000/country

Importance of online for international calls will increase for all generations.

Ipsos

Making international calls in the future

Telecom provider 20%

Online 45%

Using both 35%

AGE

	15-19 y.o. (n=832)	20-29 y.o. (n=1785)	30-39 y.o. (n=1902)	40-49 y.o. (n=2332)	50-59 y.o. (n=1956)	60+ y.o. (n=1194)
Telecom provider	14%	14%	19%	20%	24%	29%
Online	56%	56%	45%	42%	39%	38%
Using both	31%	30%	36%	38%	38%	33%

Ipsos

Key barriers for exclusive online texting or calling are fact that not everyone uses the (same) apps, possibility to text for free via telco company and/or lower quality of call.

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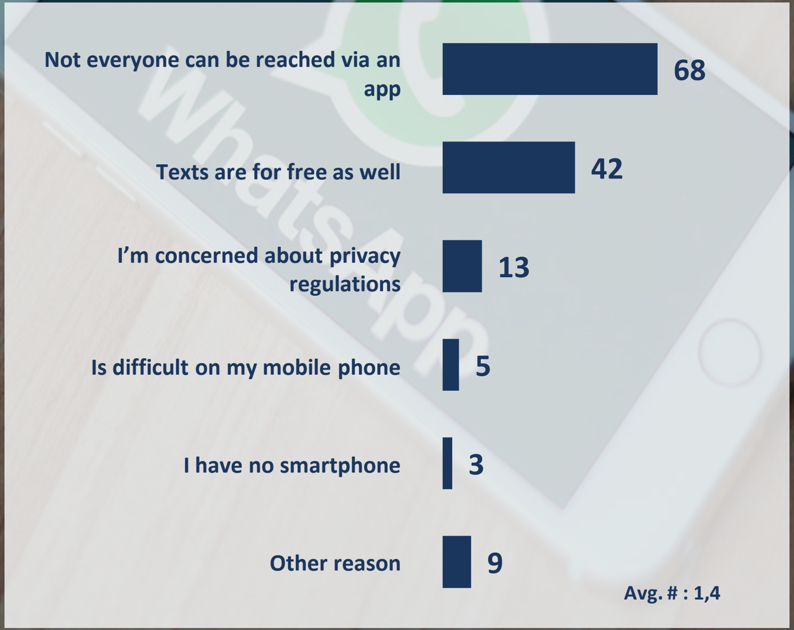
Ipsos

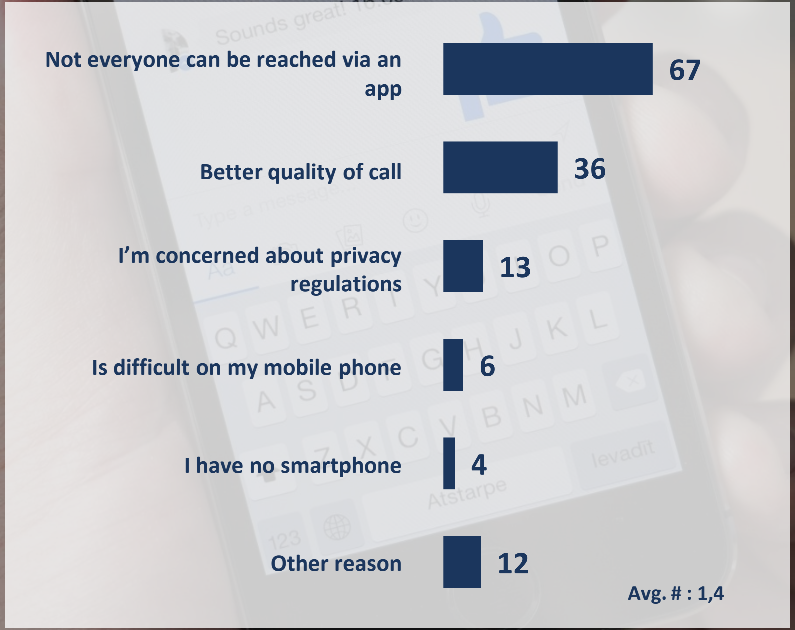
Key barriers for online texting are penetration of apps and free texting offered by telco provider. For online calls the accessibility via apps and lower quality of connection are barriers for higher use.

Reasons for not sending texts solely online?



Base: respondents sending texts; online messages n=4988

Reasons for not calling solely online?



Base: respondents making telephone calls; online calls n=4608

Choice for a mobile, fixed or broadband provider is not solely driven by price. Also quality features play an important role.

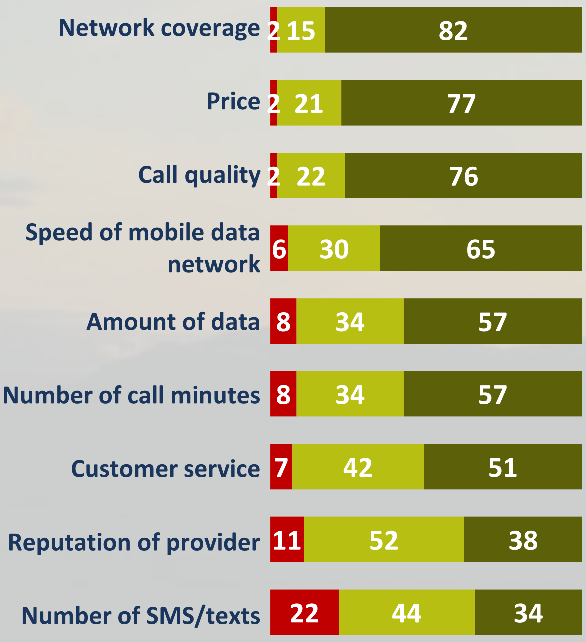
Provider choice is not solely influenced by price. Also quality offered by the provider is a very important choice driver.

Ipsos

Drivers of providers' choice

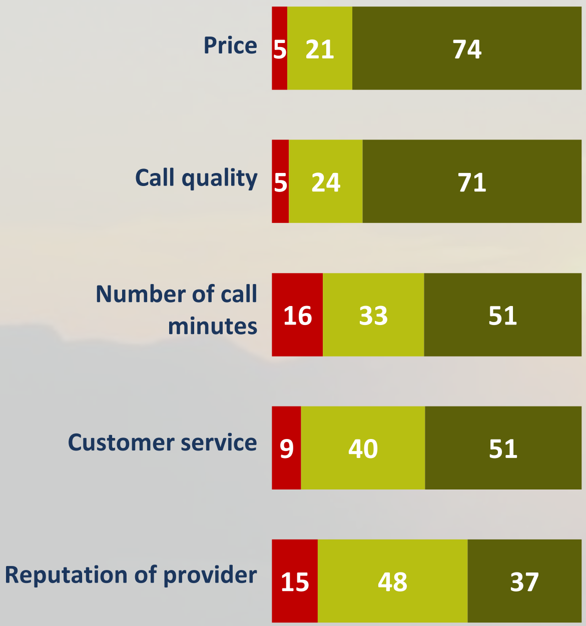
Not really important | Important but not crucial | Important and crucial

Mobile market



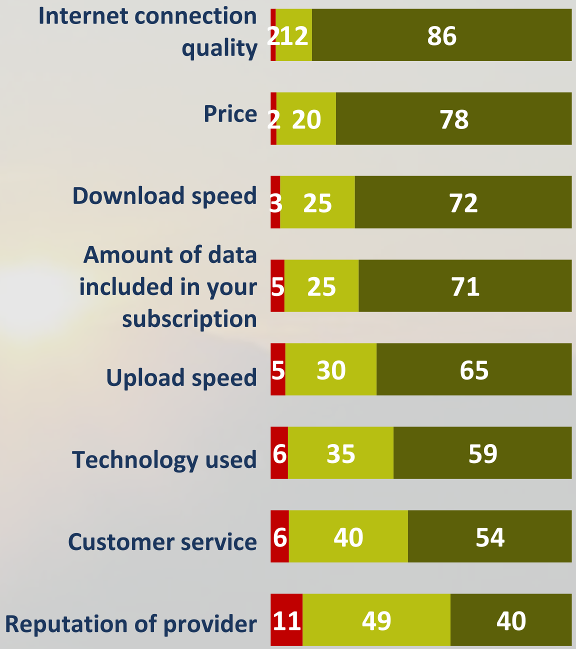
Base decision maker: n=9094

Fixed market



Base decision maker: n=6064

Broadband internet market



Base decision maker: n=9014

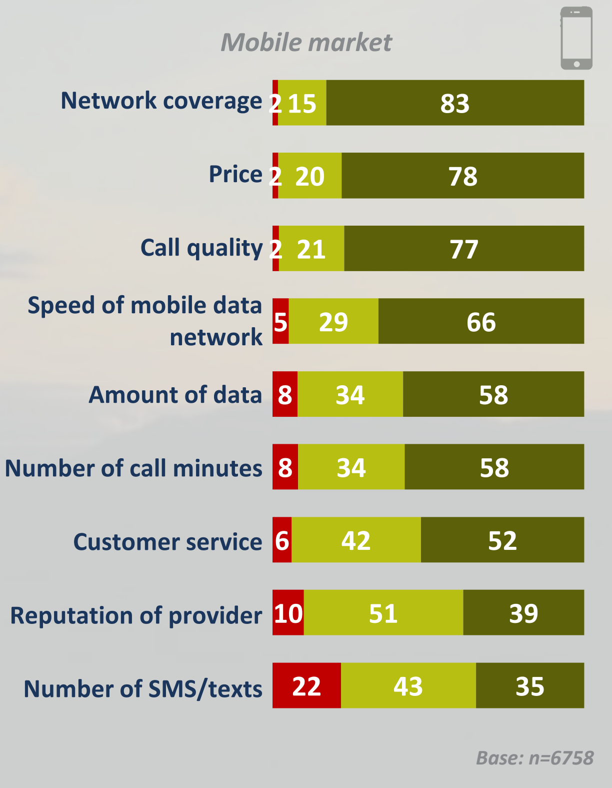
*Numbers are rounded

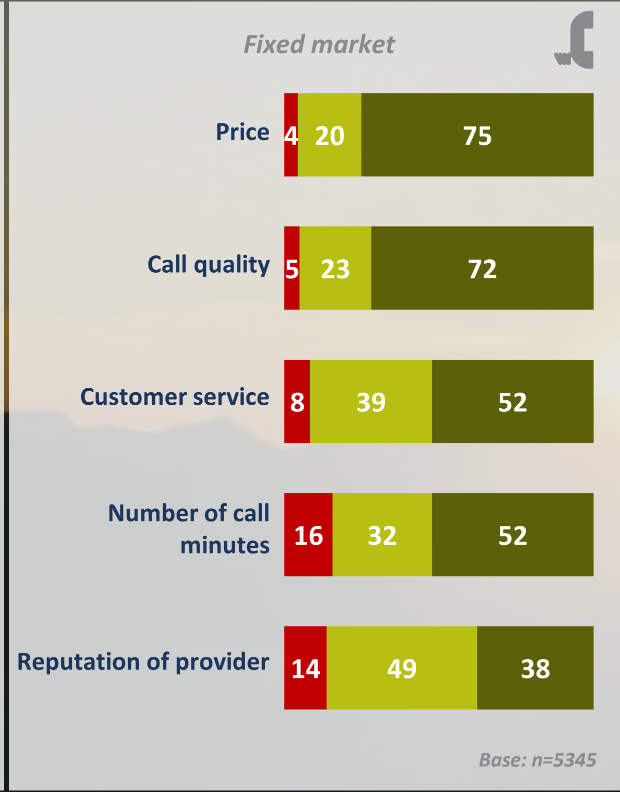
Ipsos

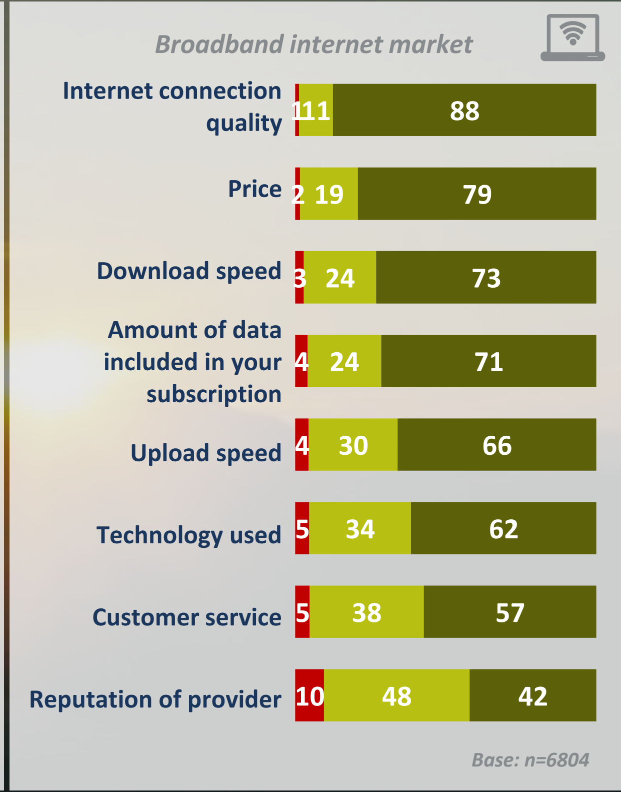
Also for current bundle users the provider choice is not solely influenced by price. For them also quality features plays a crucial role.

Drivers of providers' choice – CURRENT BUNDLE USERS

Not really important · Important but not crucial · Important and crucial







*Numbers are rounded

Majority of EU citizens prefers bundles to individual contracts. Preference for bundles becomes more outspoken with age.

Majority of EU citizens has its telco services bundled in one contract (though less in Poland & Sweden).

68%

Has services bundled together in one contract

Base: n=1000/country

Ipsos

Importance of bundled contracts increases with age.

68%

Has services bundled together in one contract

AGE

	15-19 y.o.	20-29 y.o.	30-39 y.o.	40-49 y.o.	50-59 y.o.	60+ y.o.
n	n=832	n=1785	n=1902	n=2332	n=1956	n=1194
%	65%	62%	67%	71%	70%	73%

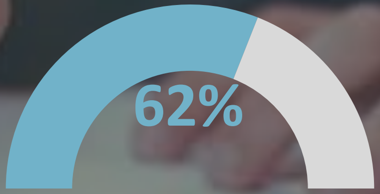
Ipsos

Majority of EU-citizens prefers to bundle their telco services in one contract.

Preference of type of contract

Individual contract

Bundled contracts



No preference

Base: n=1000/country

Ipsos

Bundling telco services in one contract is preferred by all generations. Older citizens have a more outspoken preference for bundles.

Preference of type of contract – By age

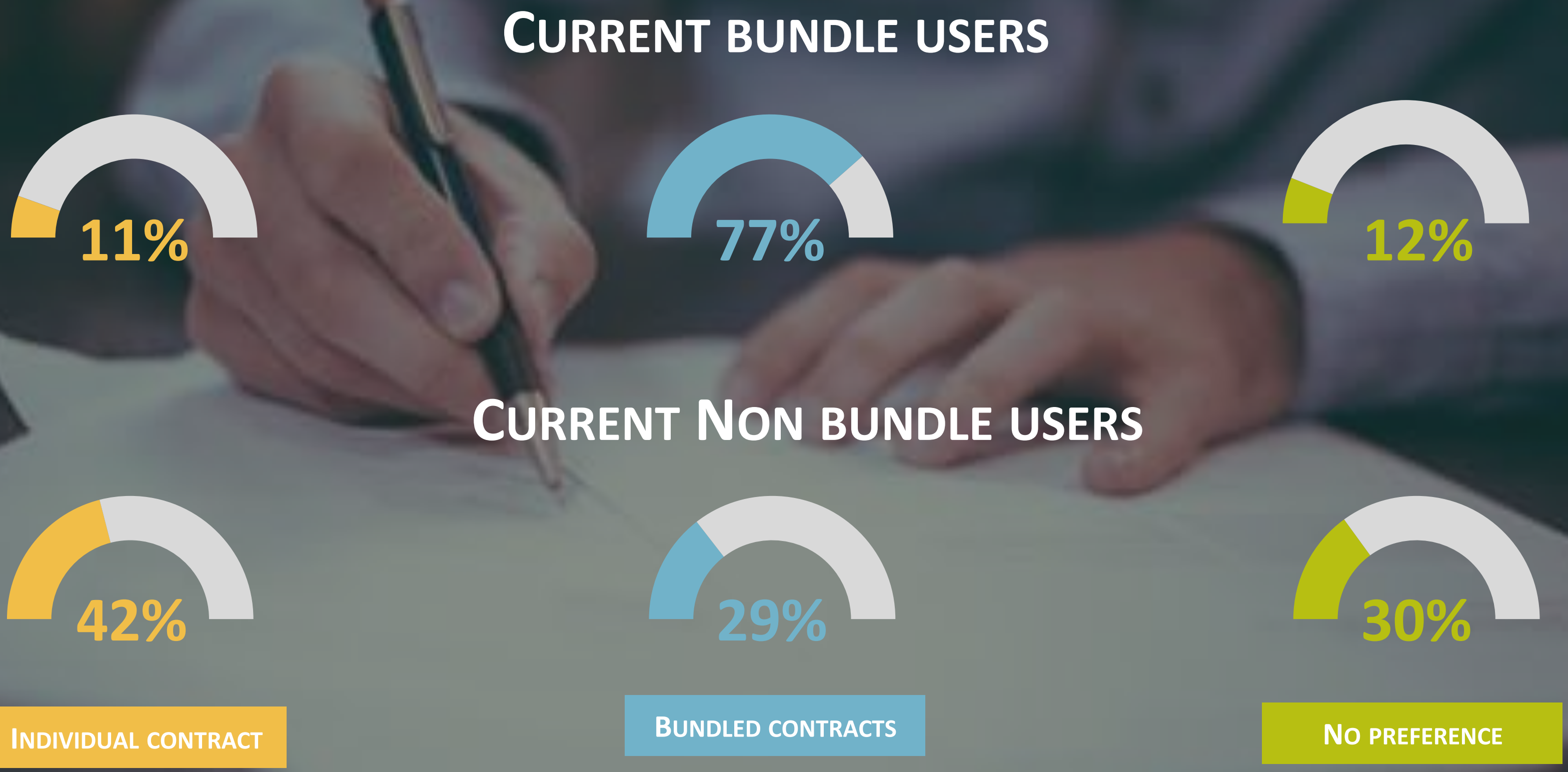
AGE

	15-19 y.o. (n=832)	20-29 y.o. (n=1785)	30-39 y.o. (n=1902)	40-49 y.o. (n=2332)	50-59 y.o. (n=1956)	60+ y.o. (n=1194)
Prefers individual contract	21%	23%	23%	19%	21%	17%
Prefers bundled contracts	54%	59%	61%	65%	62%	67%
No preference	25%	18%	16%	16%	17%	16%

Large majority of bundle users would still prefer a bundled contract. Current non bundle users have a lower preference for bundles.

Ipsos

Preference of contract – By current bundle users vs. non bundle users



Base: bundle users n=6807 | non bundle users n=3194

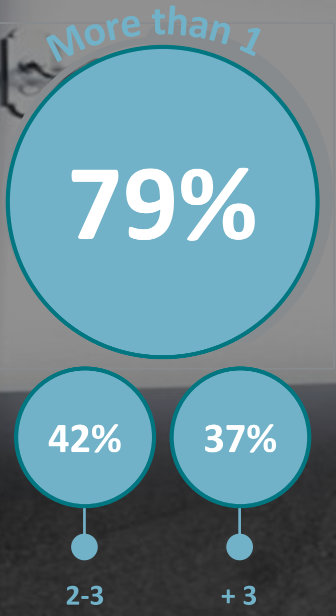
*Numbers are rounded

Large majority of Europeans have broad choice of broadband providers.

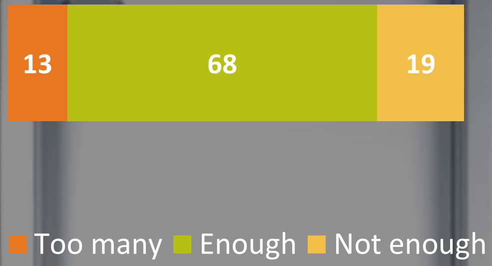
For the majority of EU citizens there are sufficient broadband providers available (i.e. 79% indicates they can choose between at least 2; 81% indicates there are enough or too many to choose from). **Number of providers available is also by majority (79%) considered as comparable or even more comfortable compared to other sectors.**

Ipsos

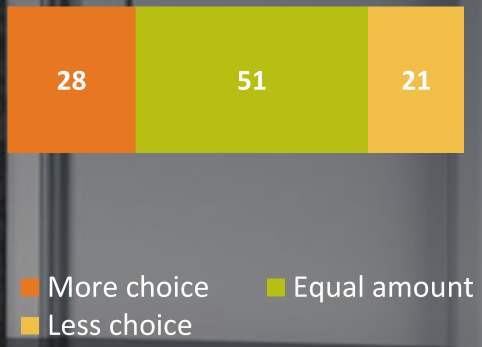
Ability to choose multiple broadband providers



Amount of broadband providers



Choice of broadband providers compared with other sectors



Base: Decision makers n=9153

Ipsos

BOTH AMONG PEOPLE WHO BUNDLED THEIR SERVICES IN ONE CONTRACT AND THOSE WHO DIDN'T , A MAJORITY INDICATES THEY HAVE A CHOICE BETWEEN SEVERAL PROVIDERS.

BUNDLE USERS	NON BUNDLE USERS
80%	73%

CAN CHOOSE BETWEEN MULTIPLE BROADBAND PROVIDERS

Base: Bundle users n=6805 | non bundle users n=3194

Majority also indicates they have enough or even too many broadband providers to choose from. This is similar With people who currently have their contract bundled or not.

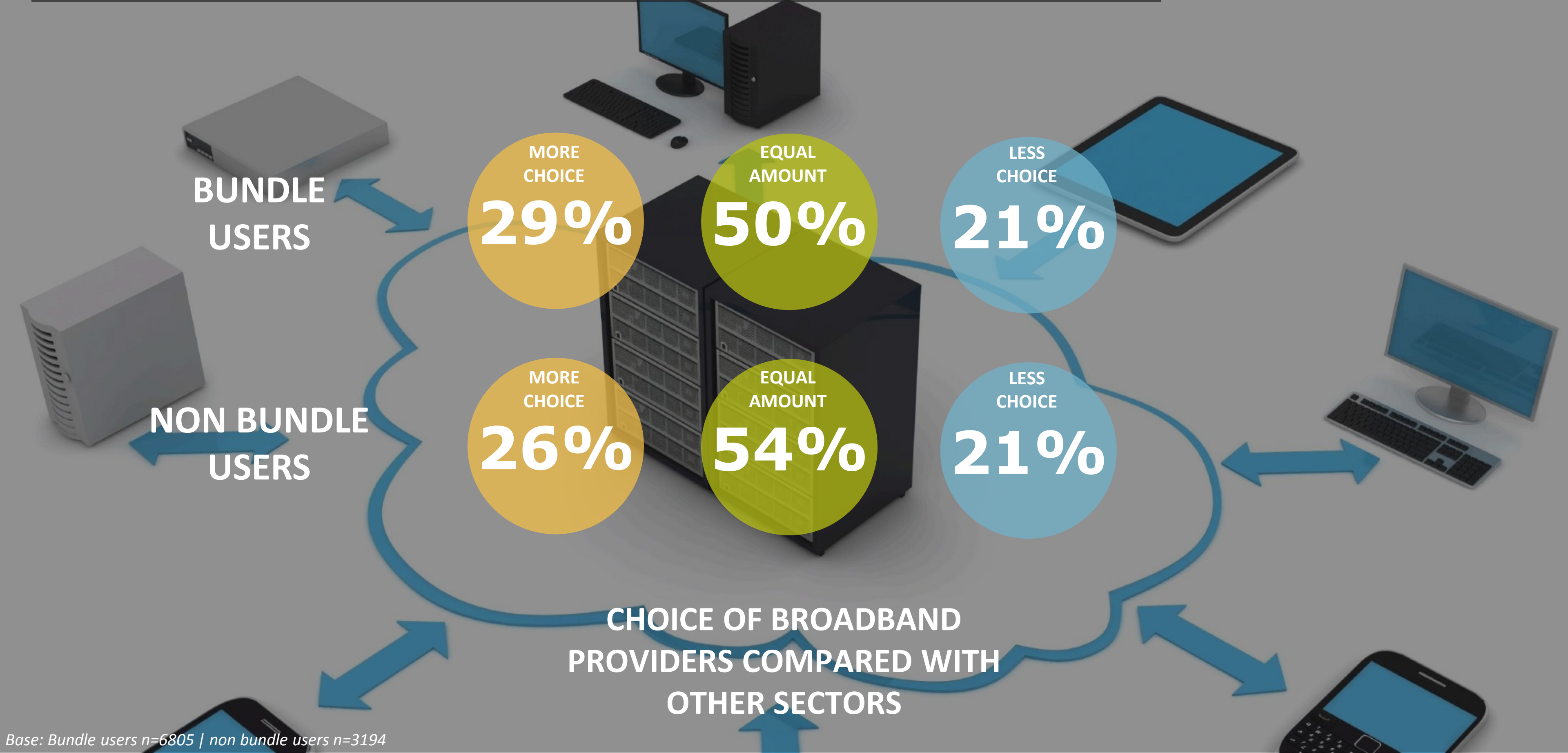
Ipsos

	Too many	Enough	Not enough
Bundle users	13%	68%	19%
Non bundle users	14%	66%	20%

Amount of providers to choose from

Base: Bundle users n=6805 | non bundle users n=3194

A MAJORITY WITH BOTH BUNDLE USERS AND NON BUNDLE USERS BELIEVE THEY HAVE AN EQUAL AMOUNT OF CHOICE OR MORE CHOICE COMPARED TO OTHER SECTORS.



	MORE CHOICE	EQUAL AMOUNT	LESS CHOICE
BUNDLE USERS	29%	50%	21%
NON BUNDLE USERS	26%	54%	21%

CHOICE OF BROADBAND PROVIDERS COMPARED WITH OTHER SECTORS

Base: Bundle users n=6805 | non bundle users n=3194

Ipsos

Changing broadband internet provider is first driven by the offer, than by price or a specific problem.

Majority indicates they already changed broadband supplier.

61%

HAS CHANGED INTERNET BROADBAND PROVIDER

Base: Decision makers n=9153

Quite similar % of people already changed broadband internet provider.

Ipsos

61%

HAS CHANGED INTERNET BROADBAND PROVIDER

AGE

	15-19 y.o.	20-29 y.o.	30-39 y.o.	40-49 y.o.	50-59 y.o.	60+ y.o.
n	n=419	n=1580	n=1831	n=2274	n=1900	n=1149
%	57%	60%	65%	62%	61%	54%

Base: decision makers

With a better or other offer being a more important churn driver than price.

BETTER / OTHER OFFER

46%

BETTER PRICE
FOR SAME OFFER

32%

PROBLEM
(technical, installation, billing…)

22%

Main reason for changing broadband internet provider

Base: Decision makers who changed provider n=5559

Ipsos

Better offer is a more important churn driver than price for all generations.

Main reason for changing broadband internet provider

- BETTER OFFER: 46%
- BETTER PRICE: 32%
- PROBLEM: 22%

AGE

	15-19 y.o. (n=238)	20-29 y.o. (n=942)	30-39 y.o. (n=1193)	40-49 y.o. (n=1406)	50-59 y.o. (n=1154)	60+ y.o. (n=626)
Better offer	40%	49%	44%	48%	46%	46%
Better price	36%	30%	33%	31%	32%	30%
Problem	24%	21%	23%	21%	22%	24%

Base: Decision makers who changed provider n=5559

Majority perceives the price of broadband internet as fair or rather cheap. For one third of the EU citizens it’s considered as rather expensive.

Ipsos

MAJORITY FINDS THE PRICING OF BROADBAND INTERNET FAIR OR RATHER CHEAP. ABOUT ONE THIRD FINDS IT TOO EXPENSIVE.

HOW DO YOU FEEL ABOUT THE PRICE FOR BROADBAND INTERNET

RATHER CHEAP	FAIR PRICE	RATHER EXPENSIVE
8%	58%	34%

Base: Decision makers n=9153

Ipsos

Price perception is quite similar with people who currently have their internet bundled and those who don't.

BUNDLE USERS	RATHER CHEAP 7%	FAIR PRICE 58%	RATHER EXPENSIVE 34%
NON BUNDLE USERS	RATHER CHEAP 11%	FAIR PRICE 55%	RATHER EXPENSIVE 38%

How do you feel about the price for broadband internet

Base: Bundle users n=5304 | non bundle users n=2268

Quite similar price perception across generations.

Ipsos

How do you feel about the price for broadband internet

RATHER CHEAP	8%
FAIR PRICE	58%
RATHER EXPENSIVE	34%

AGE

	15-19 y.o. (n=293)	20-29 y.o. (n=1236)	30-39 y.o. (n=1488)	40-49 y.o. (n=1855)	50-59 y.o. (n=1499)	60+ y.o. (n=886)
Rather cheap	8%	12%	10%	7%	7%	7%
Fair price	55%	61%	60%	57%	57%	56%
Rather expensive	37%	28%	31%	36%	36%	37%

Base: Decision makers n=9153

Majority of EU citizens are familiar with the broadband technology they use, but awareness and familiarity with features such as Latency, Packet Loss & Jitter is limited.

Awareness and familiarity with Latency, Packet Loss & Jitter is low.

Ipsos

Awareness of broadband features - % know what it is

LATENCY	PACKET LOSS	JITTER
11%	12%	8%

Base: Decision makers n=9153

AWARENESS OF BROADBAND TECHNOLOGY USED APPEARS HIGH....

Ipsos

Broadband technology used at home

86%

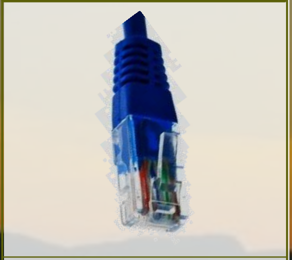
IS AWARE OF BROADBAND TECHNOLOGY USED

ADSL

28%

DECISION MAKER	NO DECISION MAKER
29%	21%

CABLE



18%

DECISION MAKER	NO DECISION MAKER
18%	15%

FIBRE

30%

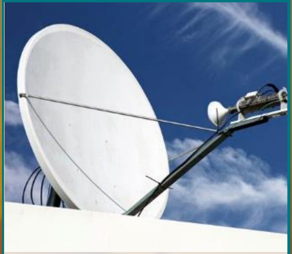
DECISION MAKER	NO DECISION MAKER
30%	30%

3G/4G MODEM

8%

DECISION MAKER	NO DECISION MAKER
9%	5%

SATELLITE



2%

DECISION MAKER	NO DECISION MAKER
2%	1%

About one out of 2 EU citizens involved in the choice of an internet provider is prepared to pay extra for a bandwidth that better fulfils their needs.

Ipsos

ABOUT 1 OUT OF 2 IS WILLING TO PAY MORE FOR THEIR INTERNET BANDWIDTH

Willingness to pay more in case current bandwidth does not fully fulfil needs and one is aware of current price setting.

52%

Base: decision makers for whom bandwidth partially or does not meet needs n=2999

For more information:

THANK YOU

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GAME CHANGERS

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