



Connected Consumer Survey 2020: fixed broadband retention and satisfaction in emerging Asia–Pacific



Stephen Wilson

About this report

This report focuses on aspects of Analysys Mason's *Connected Consumer Survey* that relate to the behaviour, preferences and plans of fixed broadband users in Indonesia, Malaysia, the Philippines and Thailand.

The survey was conducted in association with Dynata in September 2020. The survey groups were chosen to be representative of the broader online consumer population in Indonesia, Malaysia, the Philippines and Thailand. We set quotas on age, gender and geographical spread to that effect. There was a total of 4238 respondents across the 4 countries surveyed.

KEY QUESTIONS ANSWERED IN THIS REPORT

- What are the most significant factors that affect Net Promoter Scores (NPSs) for fixed broadband operators? Which operators score highly and why?
- What are the most significant drivers of fixed broadband churn and how can operators most-effectively approach customer retention?
- Which value-added services have a measurable effect on customer satisfaction and churn intention?
- What is the penetration of different channels for customer service and making a purchase and how does the channel mix influence satisfaction and churn?

GEOGRAPHICAL COVERAGE

Emerging Asia-Pacific (EMAP):

- Indonesia
- Malaysia
- Philippines
- Thailand

WHO SHOULD READ THIS REPORT

- Product managers and strategy teams working for fixed operators that are launching new broadband products aimed at the retail market, or are designing their response to those of their competitors.
- Marketing executives and product managers for operators that are making decisions about service design and its impact on customers' retention of broadband bundles.
- Vendors seeking to understand local market drivers in countries across EMAP.

The difference between the NPSs of the best and worst performing operators is much greater in the Philippines and Thailand than in Malaysia and Indonesia

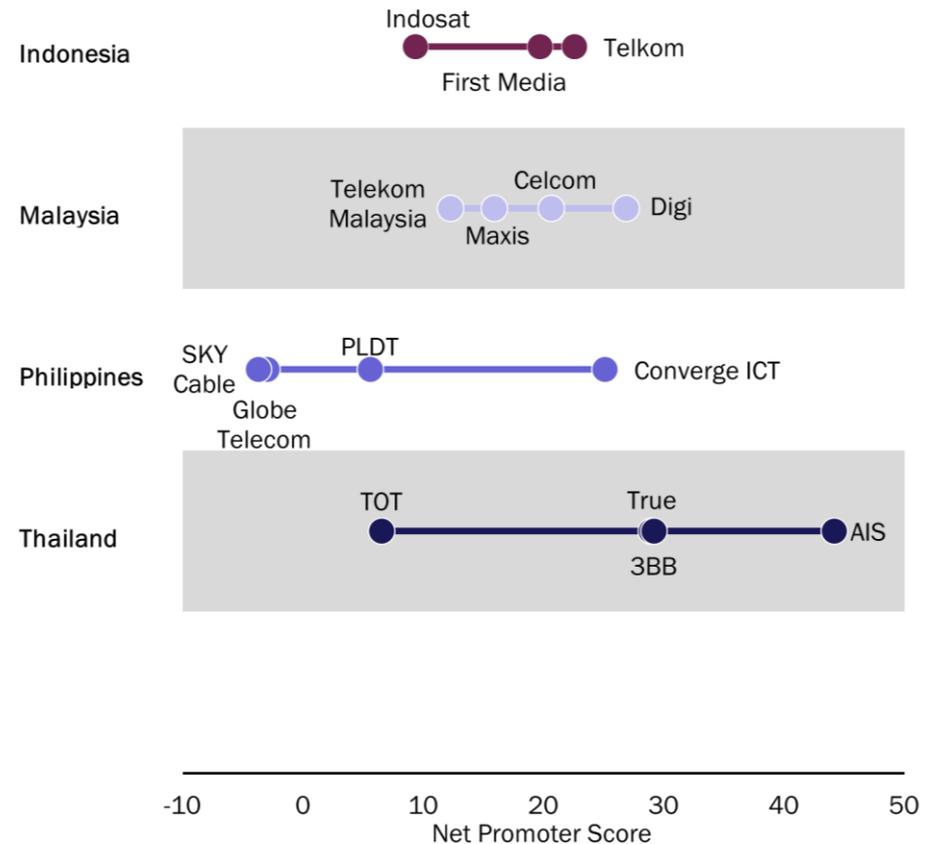
The NPSs of all four of the largest operators in the Philippines fell between 2019 and 2020. FTTP player Converge ICT still retains a considerable lead over its competitors, which is a vindication of its fibre-focused strategy, but its NPS fell by more than its competitors’.

The NPSs of Digi and Maxis in Malaysia both increased significantly between 2019 and 2020. For Digi, this may be due to its increased focus on fixed-mobile convergence (FMC) bundles that include fibre, and satisfaction among fixed-wireless subscribers, in particular, has probably improved for Maxis thanks to the increase in the size of its data allowances.

TOT lags well behind the other players in Thailand in terms of NPS. It has the lowest scores for all satisfaction elements out of all the major players. AIS has the highest scores and performed particularly well in terms of reliability and customer service satisfaction. It also scored highly for speed and price satisfaction. This is a vindication of the company’s focus on higher-value broadband customers using a premium product offering.

Incumbent Telkom has the highest NPS of any operator in Indonesia. It received its lowest scores for price satisfaction, but the nature of Telkom’s subscriber base is such that low price satisfaction scores do not necessarily result in low willingness to recommend.

Figure 3: NPS by operator, EMAP, 2020¹



Source: Analysys Mason

¹ Please refer to the methodology and panel information section for the sample size and relevant survey questions.

Price satisfaction scores are generally lower than the satisfaction scores for other service elements across all four countries

The satisfaction score for usage restrictions changed the most in the Philippines between 2019 and 2020, from 3.41 to 3.53.¹ This may reflect the increase in allowances for fixed-wireless subscribers. Globe Telecom launched its Xtreme WiFi 999 plan in June 2020. This plan comes with 140GB of data for PHP999 (USD20.7) and is therefore cheaper than the operator's other postpaid fixed-wireless plans. Indeed, the operator was offering a plan with 150GB of data for PHP1299 (USD26.9) in 2Q 2019. Fixed-wireless subscribers formed a similar share of the panel as in last year's survey, so this is not a factor in the year-on-year changes in satisfaction scores. Customer service satisfaction scores in 2020 were lower than those for the other service elements, which partly reflects the challenges that operators have had in offering sufficient call centre capacity during the pandemic

Malaysian consumers' satisfaction with price and reliability improved significantly between 2019 and 2020 (from 3.41 to 3.53 and from 3.70 to 3.78, respectively). Telekom Malaysia's existing ADSL customers benefitted from a very significant price cut from September 2019: all DSL prices were cut to a maximum of MYR69 (USD15.8) per month. This meant that the price was more than halved for those on the 8Mbit/s plan that previously cost MYR160 (USD36.7).

Price and usage restriction satisfaction levels were well below those for other service elements in Indonesia in 2020. This is probably linked to the high ARPU for Telkom's IndiHome service

Figure 4: Service element satisfaction scores, EMAP, 2020^{1,2}

| | Indonesia | Malaysia | Philippines | Thailand |
|--------------------|-----------|----------|-------------|----------|
| Speed | 3.80 | 3.66 | 3.45 | 3.92 |
| Reliability | 3.76 | 3.78 | 3.50 | 4.03 |
| Price | 3.60 | 3.53 | 3.45 | 3.87 |
| Customer service | 3.71 | 3.72 | 3.34 | 3.99 |
| Usage restrictions | 3.58 | 3.48 | 3.53 | 3.82 |

Source: Analysys Mason

(IDR253 000 (USD17.8) in 3Q 2020). The share of Indonesian panellists that reported using fibre or cable is high (68%). This helps to explain the higher satisfaction scores for speed and reliability versus the other service elements.

The satisfaction scores for all service elements were higher in Thailand in 2020 than elsewhere in the survey. This is due to the intense competitive environment and widespread fibre network overlap, which ensures that operators are focused on delivering the best possible experience to their customers. Prices are readily affordable. Fixed broadband ARPU for AIS and Telkom in 3Q 2020 was THB484 (USD16.1) and USD17.8, respectively, even though income levels are much higher in Thailand than in Indonesia.

¹ Survey respondents were asked to rate their satisfaction with different elements of their fixed broadband service on a scale of 1–5, where 1 was 'very dissatisfied' and 5 was 'very satisfied'.

² Please refer to the methodology and panel information section for the sample size and relevant survey questions.



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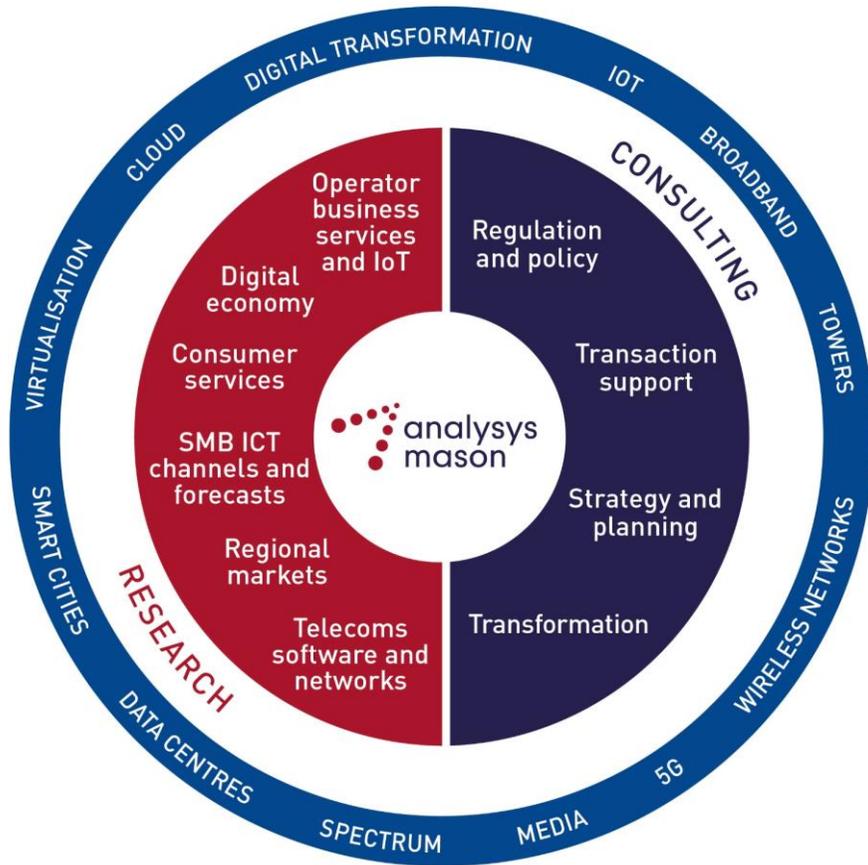
About the author



Stephen Wilson (Principal Analyst) is the lead analyst for Analysys Mason's *Fixed Broadband Services* and *Fixed-Mobile Convergence* research programmes. He leads Analysys Mason's annual FTTx coverage, capex and conversion forecasts, and other recent areas of focus include examining the retail tariff strategies employed by operators for early launches of 5G fixed-wireless access (FWA). Stephen has more than 12 years of experience in the telecoms sector and is a graduate in Philosophy, Politics and Economics from St Catherine's College, Oxford University.

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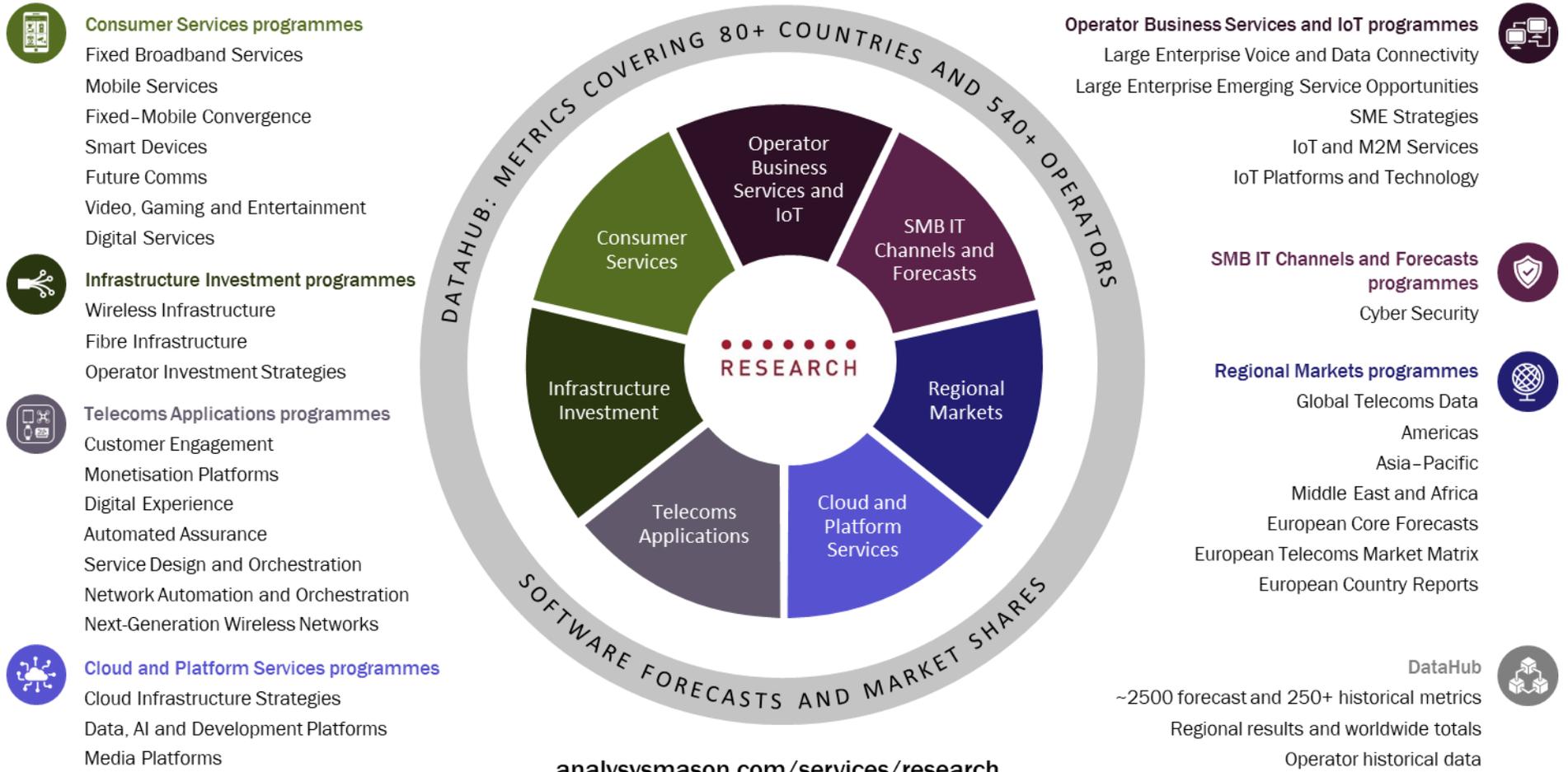
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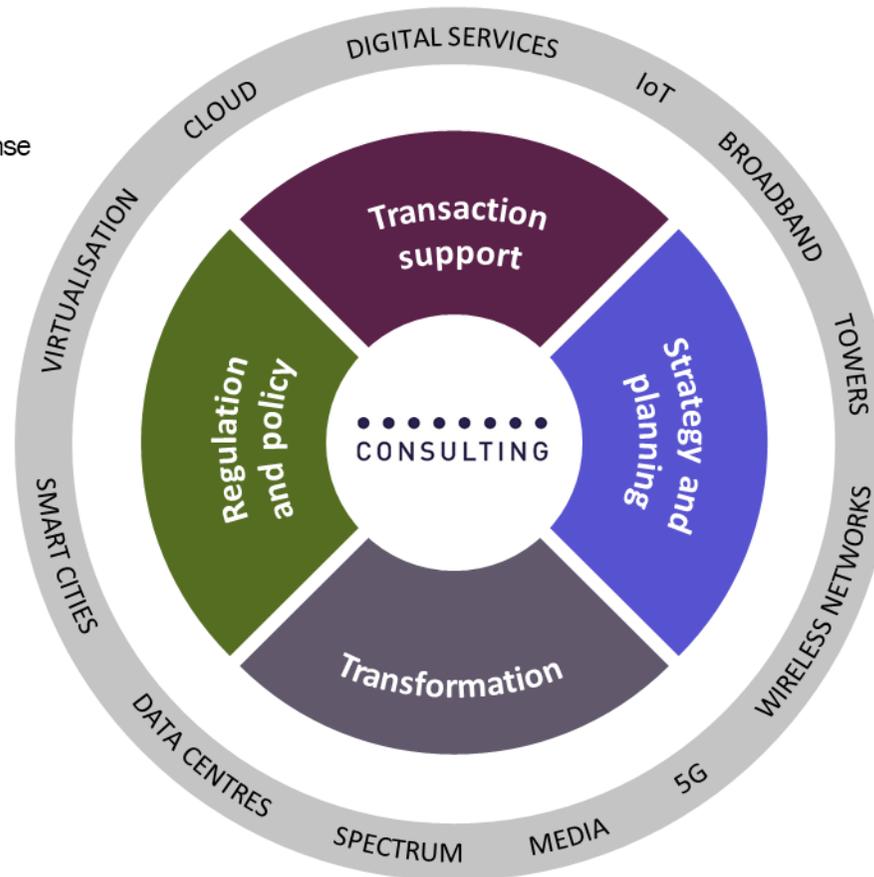
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