Connected Consumer Survey 2019: mobile services and devices in emerging Asia–Pacific

Rémy Pascal

RESEARCH

About this report

This report focuses on aspects of Analysys Mason's *Connected Consumer Survey* that relate to the behaviour, preferences and plans of smartphone users in emerging Asia–Pacific (EMAP). In particular, it focuses on consumer spend on mobile services and devices.

The survey was conducted in association with On Device Research between August and September 2019. The survey groups were chosen to be representative of the mobile-internet-using population in the region. We set quotas on age, gender and geographical spread to that effect. There were a minimum of 1000 respondents per country, and 4000 in the region.

KEY QUESTIONS ANSWERED IN THIS REPORT

- What is the relationship between 4G and mobile users' service spend?
- What is the relationship between data usage and spend?
- What is the relationship between service-based pricing and spend?
- How does the bundling of value-added services affect spend?
- What is the level of awareness of 5G technology, and to what extent are customers interested and willing to pay more for 5G-enabled services?
- How much do consumers spend on their smartphones and how often do they replace them?

GEOGRAPHICAL COVERAGE

Emerging Asia–Pacific (EMAP):

- Indonesia
- Malaysia
- Philippines
- Thailand

WHO SHOULD READ THIS REPORT

- Operators' strategy executives and marketing managers who are interested in understanding the needs of their consumer customer base and the different drivers of customer spend.
- Market intelligence and research executives in service providers that are responsible for understanding end-user trends and supporting business units in identifying and addressing new opportunities.
- Equipment/device manufacturers and software providers that want to identify end-user trends in service and device usage and help their operator customers to prioritise investments and improve their ability to address market opportunities.

Operators should continue to migrate users to 4G and should prepare to phase out legacy networks

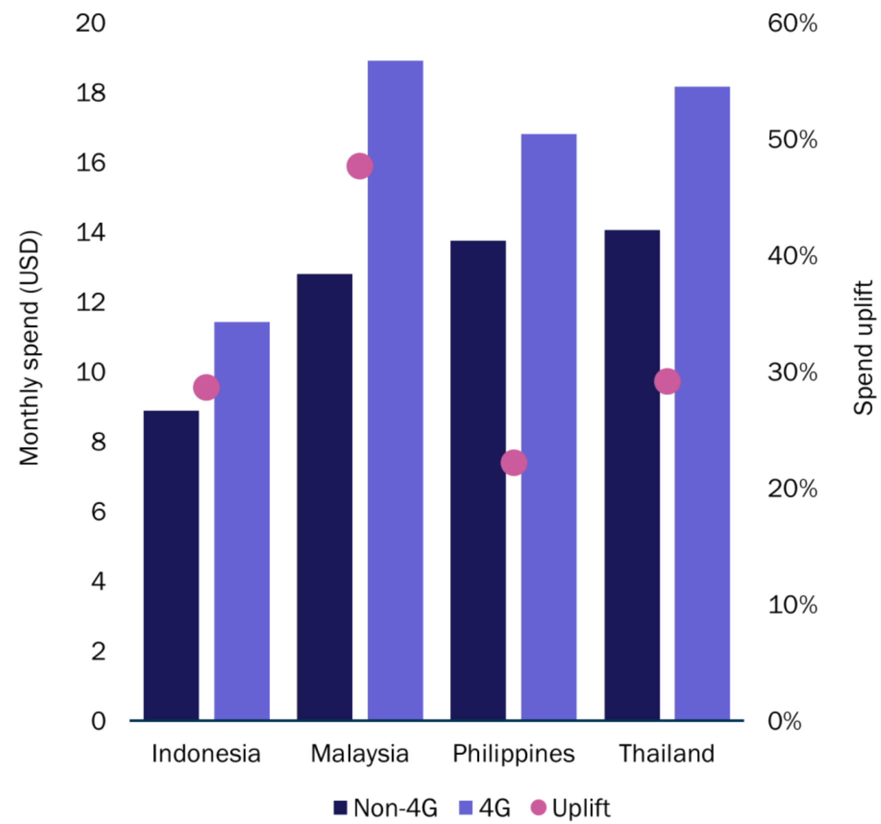
4G users in EMAP spend much more on their mobile services than non-4G users in EMAP.

85% of our panel used 4G in 2019, compared to 75% in 2018. 4G users spent 48% more than non-4G users in Malaysia, 29% more in Indonesia and Thailand and 22% more in the Philippines, according to self-reported spending. The postpaid share of 4G users is larger (48%) than that of non-4G users (40%). This explains the spending uplift because postpaid customers generally spend more. 4G users tend to use more data than non-4G users (67% of them use 5GB or more per month compared to only 44% of non-4G customers) due to the higher speeds and better quality of experience of 4G, which also increases ARPU. 4G subscribers are higher spenders, and higher spenders tend to be more satisfied. It is difficult to isolate a single variable when comparing groups of consumers, but we have also observed that 4G users in EMAP are more satisfied overall and less likely to churn than 2G/3G users.

Operators will need additional 4G capacity and should prepare to phase out legacy networks.

Some operators in EMAP are considering phasing out either their 2G or 3G network and refarming the spectrum as the number of 4G subscribers increases. However, they should wait until 4G penetration is closer to 100% and should prepare for the transition with a realistic timeline (often multiple years) and mitigating measures to avoid losing customers.

Figure 2: Average self-reported monthly mobile service spend and spending uplift for 4G users compared with non-4G users, by country, EMAP, 2019[1,2,3]



Source: Analysys Mason

[1] Please refer to the appendix for sample sizes and relevant survey questions.
[2] Respondents are smartphone owners and the panel includes a higher share of postpaid subscribers than the actual market by design.
[3] Participants reported the spending bracket to which they belonged, rather than a specific amount, so we used the median value in each spending bracket.

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About the author

Rémy Pascal (Senior Analyst) joined Analysys Mason's Asia–Pacific research team in August 2018 and is based in the Singapore office. He contributes to various research programmes including those in the Consumer services research practice. His areas of specialisation are mobile operator strategies, 5G, digital economy and markets in Asia–Pacific. Rémy has more than 9 years of experience in the telecoms and ICT sectors. Before joining Analysys Mason, he worked in various positions at Samsung Electronics in South Korea, Orange in France and the French Trade Commission in South Korea and Taiwan. Rémy holds a master's degree in management from Rouen Business School in France.

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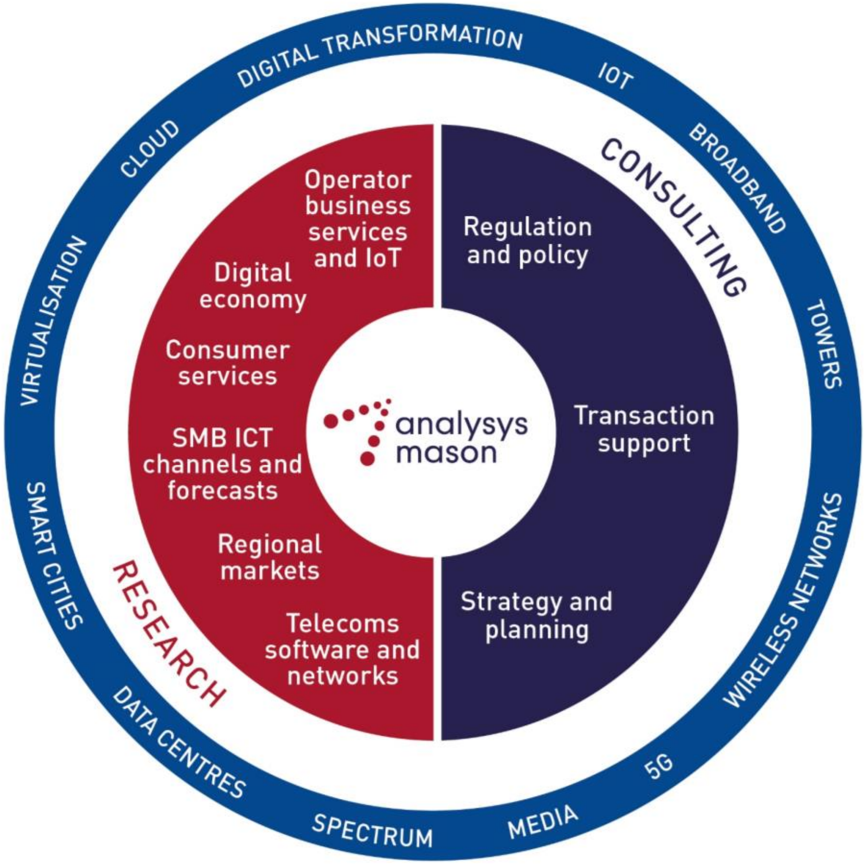

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