



Fixed – mobile convergence: consumer survey



Oliver Bruff

About this report

This report focuses on aspects of Analysys Mason's annual consumer survey that relate to the behaviour, preferences and plans of consumers worldwide. In particular, it focuses on the penetration of fixed-mobile convergence (FMC), the characteristics of consumers that take FMC plans and how the adoption of FMC plans correlates with intention to churn and customer satisfaction.

The survey was conducted in association with Dynata between July and August 2022. The survey groups were chosen to be representative of the internet-using population in selected countries around the world. We set quotas on age, gender and income. There were at least 1000 respondents per country.

KEY QUESTIONS ANSWERED IN THIS REPORT

- How should market structure influence operators' strategies for offering FMC retail bundles?
- What are the most-significant drivers of customer satisfaction for FMC subscribers, as measured by Net Promoter Score (NPS)? Which operators have the highest NPSs and why?
- What are the most-significant drivers of fixed broadband and mobile churn among FMC customers and which strategies can operators adopt to improve customer retention?
- How does the use of customer service channels and the take-up of value-added services (VAS) vary among FMC and non-FMC subscribers?



GEOGRAPHICAL COVERAGE

- **Western Europe (WE):** France, Germany, Ireland, Italy, Norway, Spain, Sweden and the UK
- **Central and Eastern Europe (CEE):** Poland and Turkey
- **North America (NA):** Canada and the USA
- **Developed Asia-Pacific (DVAP):** Australia and New Zealand
- **Emerging Asia-Pacific (EMAP):** Malaysia and the Philippines
- **Africa:** South Africa



WHO SHOULD READ THIS REPORT

- Product managers and strategy teams working for converged operators that are launching new FMC offers aimed at the retail market, or operators that are designing a response to their competitors' offers.
- Marketing executives and product managers for operators that are making decisions about service design and its impact on the customer retention of FMC offers.
- Industry observers and regulators that want to understand how FMC is affecting the customer experience.

We use 'FMC' as an umbrella term that includes FMC bundle and FMC cross-sell customers

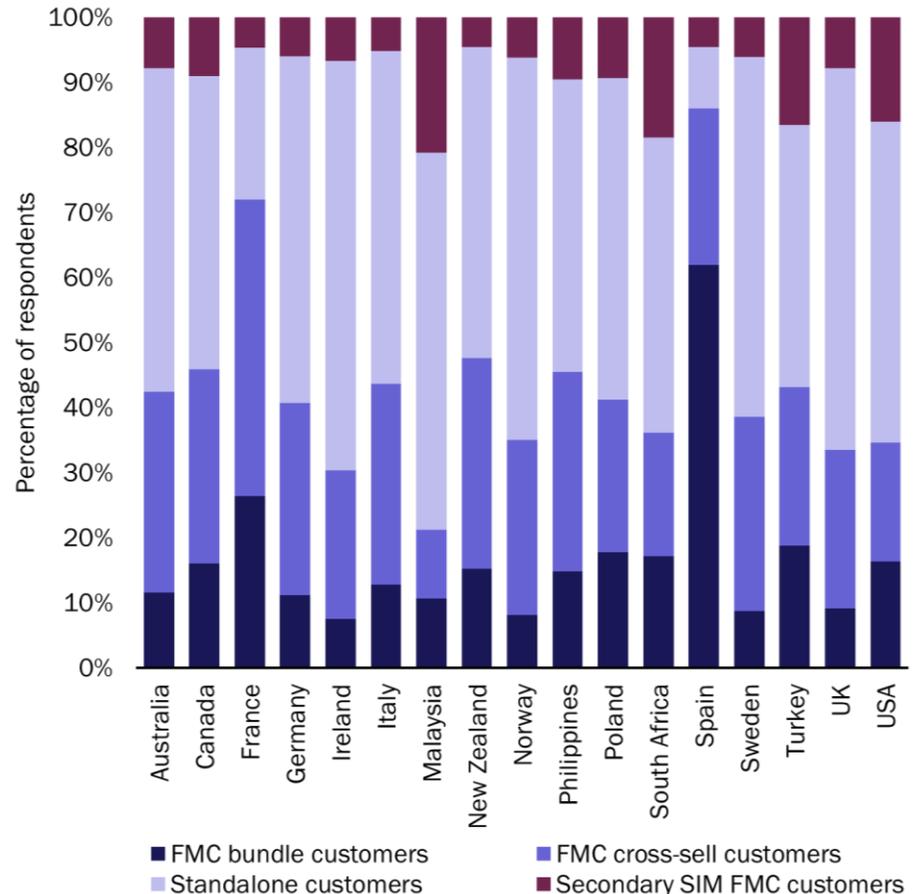
We use the term 'FMC' to refer to respondents that take their primary fixed broadband and mobile services from the same operator. We explicitly refer to this group of respondents as 'FMC customers'. We can split these respondents into two groups.

- **FMC bundle customers** (17% of the panel) purchased their primary fixed broadband and mobile services together as a retail bundle.
- **FMC cross-sell customers** (27% of the panel) take their primary fixed broadband and mobile services from the same provider, but did not buy these services as a single retail bundle.

The term 'standalone' refers to respondents that take their primary fixed broadband and mobile services from separate providers.

Our definitions of FMC and standalone do not account for respondents that take their primary fixed broadband and mobile services from different providers but also have a bundled mobile SIM as part of their fixed broadband package (9% of the panel). These respondents are likely to use their bundled SIM for a mobile device that is not their primary handset. These respondents are referred to as 'secondary SIM FMC customers' in Figure 1, but are not included in the remainder of the analysis.

Figure 1: Self-reported FMC classification by country, worldwide, 2022^{1,2}



Source: Analysys Mason

¹ Please refer to the appendix for sample size and relevant survey questions.

² Self-reported survey data requires respondents to have a full understanding of their telecoms services, which is not always the case. This may explain why a higher share of respondents reported bundling mobile services with their fixed broadband service than expected in countries such as Norway and the Philippines.

FMC customers are more valuable to operators than their standalone counterparts, but FMC penetration is still low in some countries

FMC penetration varies between countries due to differences in market structures and operators' strategies, but operators in all countries should work to increase FMC take-up.

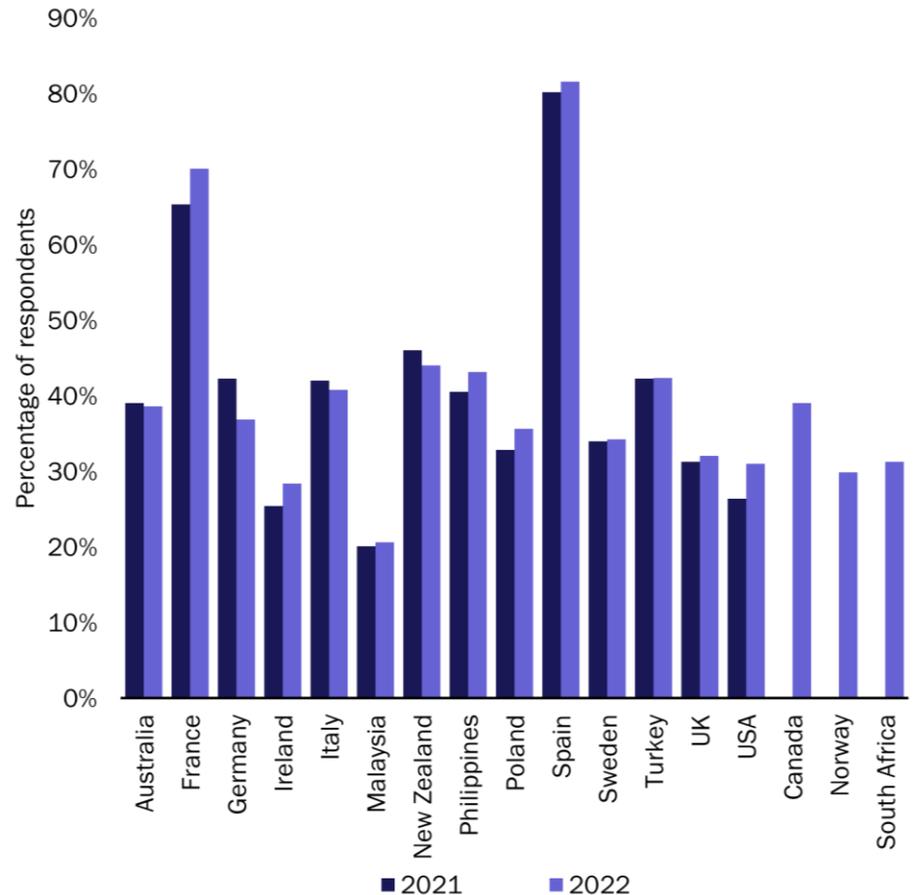
Our annual consumer survey analyses the fixed broadband and mobile preferences of 19 000 online adults in 17 countries. Over half of all respondents reported taking some form of FMC plan.

However, FMC is still nascent in many countries. Market constraints such as a lack of converged networks and expensive wholesale access charges limit FMC penetration in some countries, but many operators have the potential to grow their FMC subscriber base by implementing more ambitious FMC strategies.

There are several benefits for operators that can increase the proportion of their customer base that takes both fixed and mobile services. FMC customers spend more on mobile and fixed broadband services, on average, than customers that take fixed and mobile services from separate providers. FMC customers are also more likely to share data between multiple SIMs, which can reduce churn, and they are more likely to bundle VAS.

Over half of respondents that take FMC plans also bundle pay TV or streaming video, but these services are usually purchased in optional loose bundles and are rarely a compulsory component of the FMC package. Indeed, pay TV has been decoupled from FMC bundles in most of the mature FMC markets.

Figure 2: FMC share of total broadband subscribers, by country, worldwide, 2021 and 2022¹



Source: Analysys Mason

¹ Please refer to the methodology and panel information section for the sample size and relevant survey questions. Canada, Norway and South Africa were included in the survey for the first time in 2022.



Contents



Executive summary

FMC penetration

Satisfaction and churn

Channels and value-added services

Methodology and panel information

About the author and Analysys Mason

About the author



Oliver Bruff (Research Analyst) is a Research Analyst in Analysys Mason's consumer services research team in London. He holds a BSc with honours in economic history with economics from the London School of Economics and Political Science, where he also worked as a research assistant.

Global leaders in TMT management consulting



analysismason.com/what-we-do

Analysys Mason is the world's leading management consultancy focused on TMT, a critical enabler of economic, environmental and social transformation.

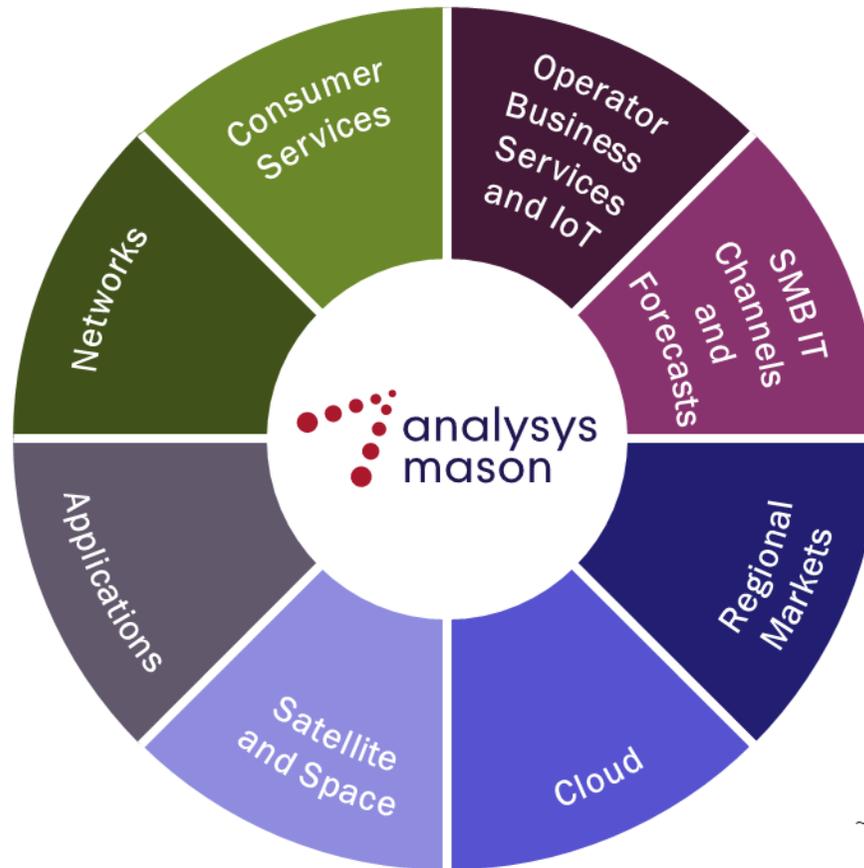
We bring together unparalleled commercial and technical understanding to deliver bespoke consultancy on strategy, transaction support, transformation, regulation and policy, further strengthened by globally respected research.

Our clients value our advice which combines deep domain knowledge with global reach and local insight into markets to help them achieve meaningful business results.

We are committed to our clients, employees and communities – contributing to a world where technology delivers for all.

Our research services

- 
Consumer Services
 - Fixed Broadband Services
 - Mobile Services
 - Fixed-Mobile Convergence
 - Smart Devices
 - Future Comms
 - Video, Gaming and Entertainment
 - Digital Services
- 
Networks
 - Next-Generation Wireless Networks
 - Wireless Infrastructure Strategies
 - Fibre Infrastructure Strategies
 - Operator Investment Strategies
 - Telecoms Strategy and Forecast
 - Transport Network Strategies
- 
Applications
 - Network Automation and Orchestration
 - Customer Engagement
 - Monetisation Platforms
 - Digital Experience
 - Automated Assurance
 - Service Design and Orchestration
 - Telecoms Software Market Shares
- 
Satellite and Space
 - Satellite Communications
 - Space Applications and Infrastructure



- 
Operator Business Services and IoT
 - Enterprise Services
 - SME Services
 - IoT Services
 - Private Networks
- 
SMB IT Channels and Forecasts
 - Cyber Security
 - SMB Technology Forecaster
- 
Regional Markets
 - Global Telecoms Data and Financial KPIs
 - Americas
 - Asia-Pacific
 - Middle East and Africa
 - European Core Forecasts
 - European Telecoms Market Matrix
 - European Country Reports
- 
Cloud
 - Cloud Infrastructure Strategies
 - Data, AI and Development Platforms
 - Edge and Media Platforms
 - Multi-Cloud Networking
- 
DataHub
 - ~2800 forecast and 280+ historical metrics
 - Regional results and worldwide totals
 - Operator historical data

analysismason.com/what-we-do/practices/research

Our areas of expertise



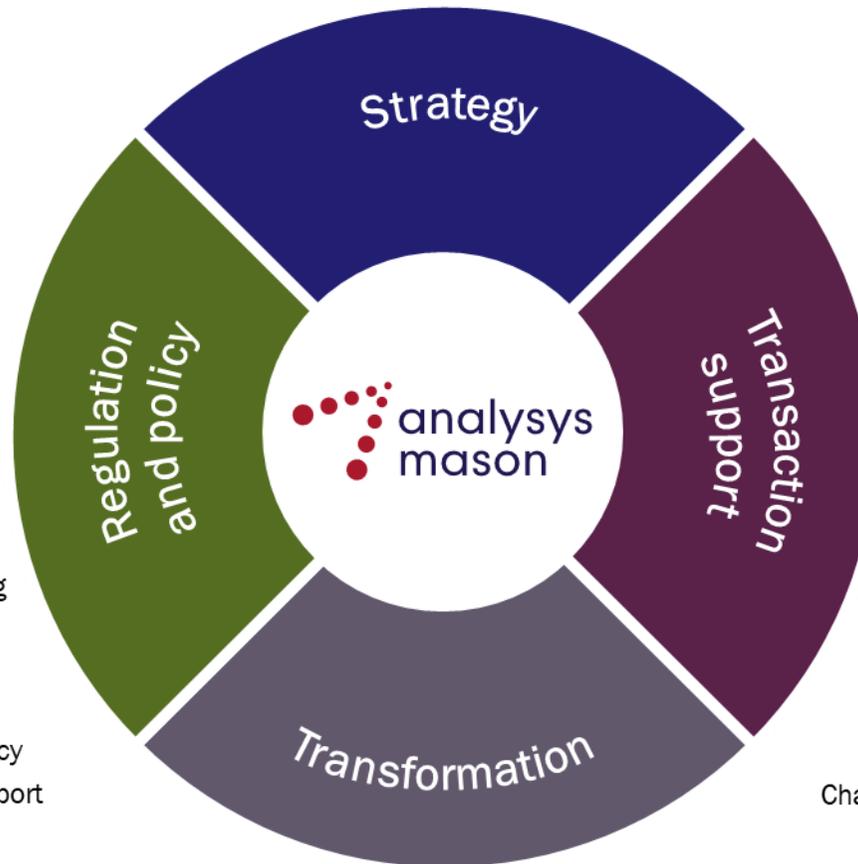
Strategy

- Corporate growth strategy
- Business unit strategy
- Infrastructure strategy



Regulation and policy

- Network and platform
- Public sector broadband intervention
- Accelerating digital transformation of society
- Price controls and cost modelling
- Regulatory accounting
- Regulatory benchmarking and analysis
- Spectrum management and policy
- Expert witness and litigation support
- Postal regulation and policy



Transaction support



- Commercial due diligence and market review
- Technical due diligence
- Post-merger integration
- Periodical business monitoring and loan technical advisory
- Opportunity scouting and pre-deal support



Transformation

- Business transformation
- Digitalisation
- Operational excellence
- Data, BI, steering and insights
- Change and programme management
- Sustainability

analysismason.com/what-we-do/practices

PUBLISHED BY ANALYSYS MASON LIMITED IN **JANUARY 2023**

Analysys Mason Limited. Registered in England and Wales with company number 05177472. Registered office: North West Wing Bush House, Aldwych, London, England, WC2B 4PJ.

We have used reasonable care and skill to prepare this publication and are not responsible for any errors or omissions, or for the results obtained from the use of this publication. The opinions expressed are those of the authors only. All information is provided “as is”, with no guarantee of completeness or accuracy, and without warranty of any kind, express or implied, including, but not limited to warranties of performance, merchantability and fitness for a particular purpose. In no event will we be liable to you or any third party for any decision made or action taken in reliance on the information, including but not limited to investment decisions, or for any loss (including consequential, special or similar losses), even if advised of the possibility of such losses.

We reserve the rights to all intellectual property in this publication. This publication, or any part of it, may not be reproduced, redistributed or republished without our prior written consent, nor may any reference be made to Analysys Mason in a regulatory statement or prospectus on the basis of this publication without our prior written consent.

© Analysys Mason Limited and/or its group companies 2023.