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# Connected Consumer Survey 2019: mobile, fixed broadband, TV and video services in Taiwan

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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 online consumers in Taiwan. The survey was conducted in association with Dynata between July and August 2019.

The survey groups were chosen to represent the broader online consumer population. We set quotes on age, gender and employment status to that effect. We sampled 1000 respondents.

## GEOGRAPHICAL COVERAGE

**Developed Asia–Pacific**

- Taiwan

## KEY QUESTIONS ANSWERED IN THIS REPORT

- What are the drivers of mobile and fixed customer experience? How are operators performing?
- Which key factors influence consumers' intention to churn? How have consumers' priorities been evolving?
- What are the Net Promoter Scores (NPSs) of mobile, fixed and pay-TV operators in Taiwan? Who leads and why?
- What are the typical video content consumption habits in Taiwan? Are OTT video services popular?

## WHO SHOULD READ THIS REPORT

- Operator-based strategy executives and marketing managers that are interested in understanding consumer market trends, the role of operators as content distribution channels and the impact of different approaches to pricing in the market.
- 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.
- Product managers that wish to understand how particular service design aspects (such as bundling and pricing) influence customer satisfaction and how retention can be improved.

# Operators should promote value-added services more and should consider using service-based pricing to complement unlimited data offerings

## The Taiwanese market is dominated by unlimited data offers and price competition; operators should look for alternative models.

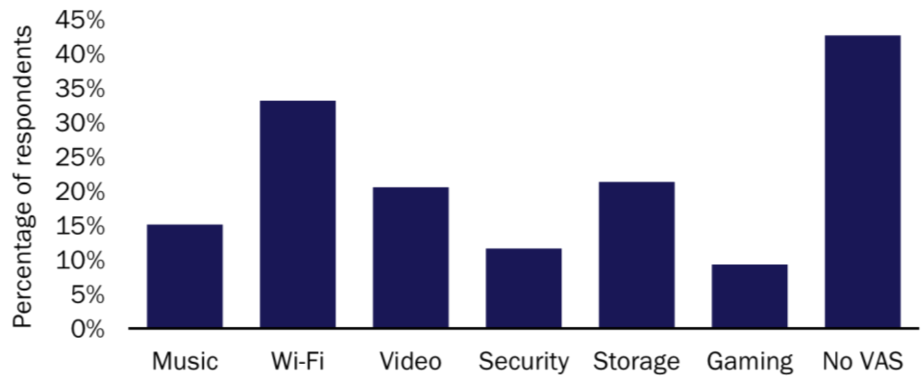
Taiwan had the highest number of unlimited data plan users among all respondents of our *Connected Consumer Survey 2019* in advanced markets (47% in Taiwan compared to 13% for the average for advanced markets). However, nearly half of customers are not on unlimited data plans. Price competition is also intense in Taiwan, meaning that it is difficult for operators to monetise data. Tariffs in which specific apps or content are either zero-rated or are allocated their own data allowance have not been widely used in Taiwan, even though these have been a viable alternative to the unlimited data approach elsewhere.

## The inclusion of bundled VASs correlates with higher spending.

Bundling extra services or content is a way for operators to attract and upgrade customers. Access to Wi-Fi hotspots is the most-popular type of VAS in Taiwan and is taken by 33% of respondents, followed by cloud storage and video streaming services (21%). The average spend is higher when any VAS is included. For example, customers with a gaming service (though this was rare) reported spending an average of 112% more per month than respondents that do not subscribe to any VAS. VASs are also associated with higher satisfaction, so this should encourage operators to promote them.

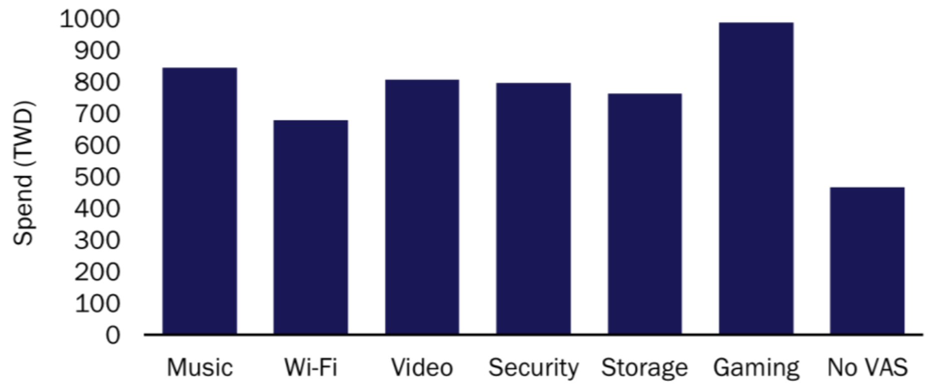
[1] Please refer to the appendix for sample size and relevant survey questions.

Figure 5: Penetration of value-added services, Taiwan, 2019[1]




Source: Analysys Mason

Figure 6: Total average monthly self-reported mobile service spend, by value-added service (if any), Taiwan, 2019[1]




Source: Analysys Mason

# Consumers' reasonably high willingness to pay more for 5G means that there are monetisation opportunities for operators

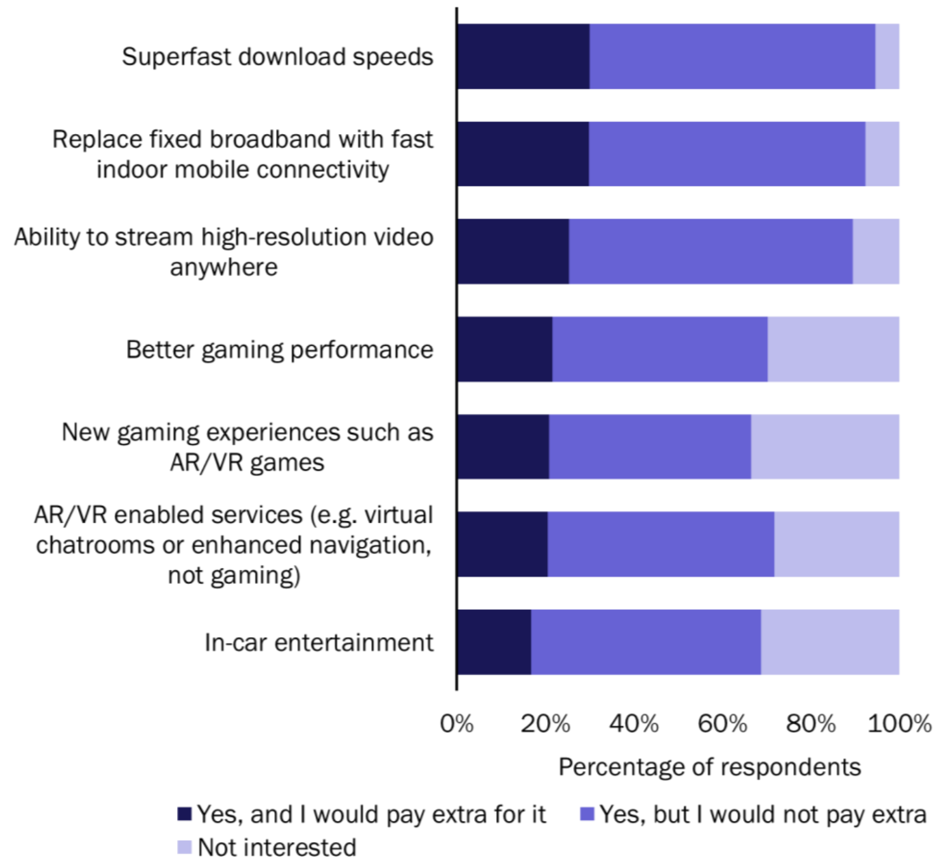
## The awareness of 5G is growing in Taiwan.

The level of awareness of 5G in Taiwan grew between 2018 and 2019; 38% of respondents stated that they were familiar with 5G in 2019 compared to 17% in 2018, and 58% had heard of it (68% in 2018). However, the awareness of 5G was lower than the average for other advanced markets, particularly those where operators have already launched a commercial 5G service.[1]

## The willingness to pay extra for 5G-enabled services is high in Taiwan, and customers are primarily interested in faster speeds.

We asked respondents how interested they were in various 5G-enabled services and if they would be willing to pay extra for them. The willingness to pay was high in Taiwan compared to that in other countries, but consumers were mostly interested in the same services as elsewhere, namely superfast browsing speeds and 5G as an alternative to home broadband (30% for each). FET's customers were particularly interested in fast speeds, which suggests that there is an opportunity for this operator to market faster speeds and introduce speed-tiering, but also reflects issues with the current network performance (this was also observed through lower speed satisfaction for FET than its main competitors and a high percentage of potential churners citing network aspects as their motivation). 4G networks will continue to support the majority of customers and traffic, and operators should continue to invest in them.

Figure 7: Interest in 5G-enabled mobile services, Taiwan, 2019[2]




Source: Analysys Mason

[1] Taiwanese operators launched their commercial 5G services in July 2020.
[2] Please refer to the appendix for sample size and relevant survey questions.

## Contents

# About the authors [1/2]

**Giulio Sinibaldi** (Senior Analyst) is a key contributor to Analysys Mason's *Consumer Services* and *Digital Economy* research practices. He is interested in mobile strategies, over-the-top (OTT) platforms, Internet regulation and consumer behaviour, and his skillset includes quantitative forecast modelling and big data analytics. Giulio holds a BSc and an MSc in Economics from Bocconi University.

**Rémy Pascal** (Senior Analyst) joined Analysys Mason's *Asia–Pacific* research team in August 2018 and is based in the Singapore office. He also contributes to other research programmes including those in the *Consumer Services* research practice. Rémy has more than 8 years of experience in the telecoms and ICT sectors. Before joining Analysys Mason, Rémy worked in various market intelligence positions at Samsung Electronics' Networks Business 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.

**Inigo Barker** (Analyst) is a member of the Consumer Services research team in London and works on the *Video Strategies* research programme. He previously worked in trade publishing and editing. He holds a first-class BA (Hons) degree in Classics from the University of Cambridge.

# About the authors [2/2]

**Martin Scott** (Principal Analyst) co-ordinates Analysys Mason's research initiatives related to media and TV. He manages the *Video Strategies* research programme. Martin has held numerous positions within Analysys Mason during the last 10 years, including heading the company's Consumer Services, Data and Regional Markets practices. He also launched Analysys Mason's *Connected Consumer Survey* and *Consumer smartphone usage* series of research. His primary areas of specialisation include telco TV strategy, OTT video and media, consumer smartphone usage, the bundling and pricing of multi-play services, including quadruple-play bundling, customer satisfaction and consumer-facing marketing strategy. He also specialises in statistics, surveys and the analysis of primary research.

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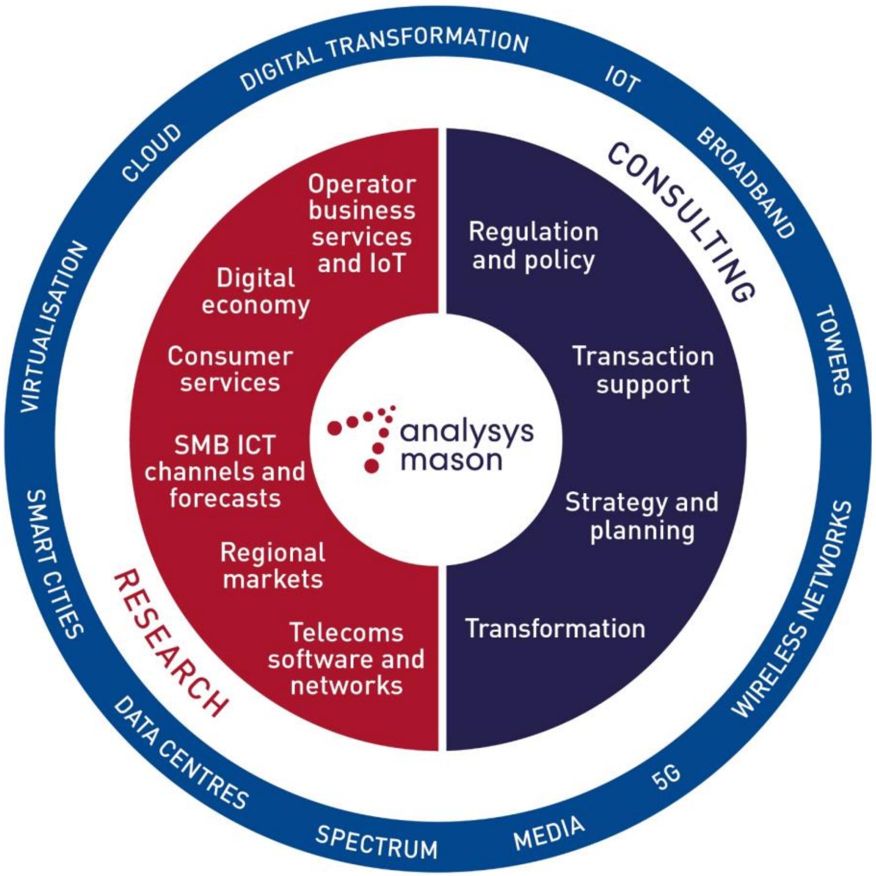


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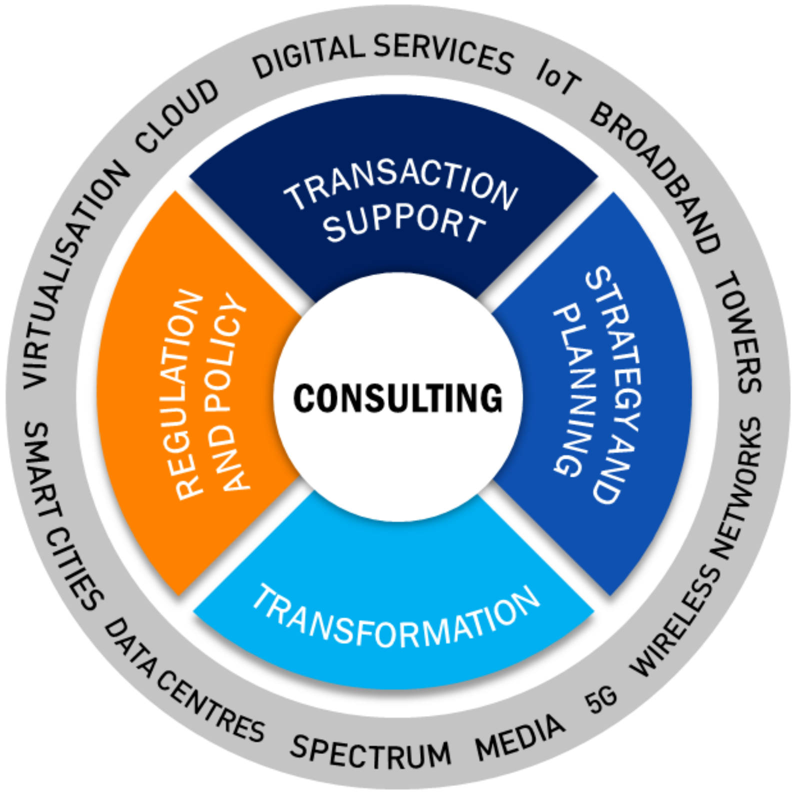


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