

RESEARCH SURVEY REPORT

CONNECTED CONSUMER SURVEY 2017: MOBILE CUSTOMER SATISFACTION AND CHURN IN MENA

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About this report

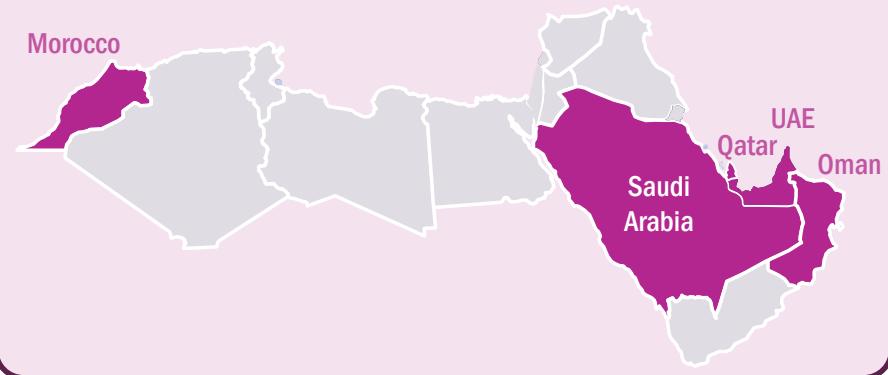
This report focuses on aspects of Analysys Mason's *Connected Consumer Survey* that relate to the behaviour, preferences and plans of mobile users in the Middle East and North Africa (MENA). In particular, it focuses on customer satisfaction, churn and retention-related aspects of mobile services. The survey was conducted in association with On Device Research.

The research was conducted between August and October 2017. 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 4500 respondents in the region.

KEY QUESTIONS ANSWERED IN THIS REPORT

- What are the drivers of mobile customer experience? How do they vary by country and by operator?
- Which key factors influence consumers' intention to churn? How have consumers' priorities been evolving?
- What are the Net Promoter Scores (NPSs) of operators in MENA? Which operators lead and why?
- What effect does bundling additional services have on customer retention, and how do new service-based pricing models affect KPIs?
- What is the relationship between network performance and customer satisfaction, especially in terms of speed and coverage?

GEOGRAPHICAL COVERAGE



WHO SHOULD READ THIS REPORT

- Operator-based strategy executives and marketing managers who are interested in understanding consumer market trends, the role of operators as content distribution channels, and the impact of differing 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 and service performance managers that wish to understand how particular aspects of service design and network performance influence customer satisfaction and what are the key levers to improving retention.

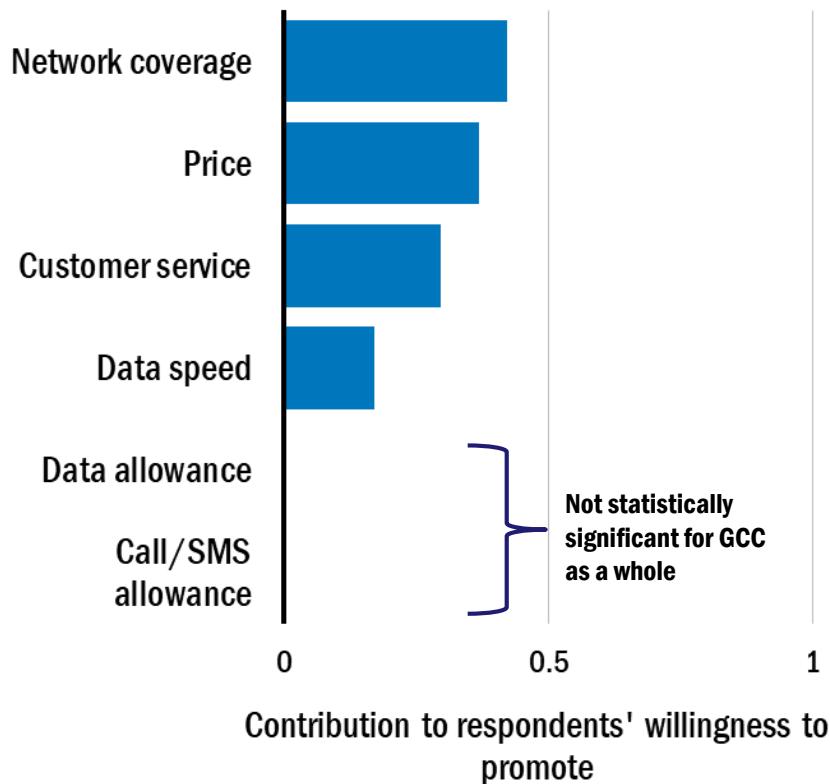
Network coverage and price show the strongest overall impact on customers' willingness to recommend and, therefore, on NPS

Some aspects of mobile services have a greater impact on willingness to promote (and, therefore, on NPS) than others. We performed statistical regressions to assess the effect that a one-point improvement in satisfaction rating for different service elements has on willingness to recommend, all other things being equal. Our findings are as follows.

- Network coverage was the strongest single factor. Improving coverage leads to a greater improvement on NPS than other factors. Data speeds also had an impact, but a weaker effect on NPS outcomes.
- Operators' poor levels of price satisfaction play a significant role in bringing NPS down, but are perhaps less influential overall than one might expect. Customer service satisfaction was also a major driver of overall satisfaction.
- The size of customers' data, call or SMS allowances was not statistically significant across the region, though did register in Oman and Qatar. Customers may express dissatisfaction with these aspects of their service, but also feel that they are broadly under their control: they can always upgrade their plan.

In the case of network coverage satisfaction, a one-point improvement (on a scale of 1 to 5) leads to an average increase in willingness to recommend of nearly 0.4. This could potentially lead to a large increase in NPS (by as much as 10 points or more) if the benefits were fully realised.

Figure 7: Results of statistical regressions on satisfaction scores against respondents' willingness to promote their service provider, GCC countries, 2017¹



Source: Analysys Mason

¹ Questions: "Please rate your satisfaction with the following aspects of your mobile service", "On a scale from 0 to 10 how likely are you to recommend your service provider..."; n = 3493.

Poor experiences of network performance (both in terms of coverage and data speeds) are likely to prove decisive for churn in MENA

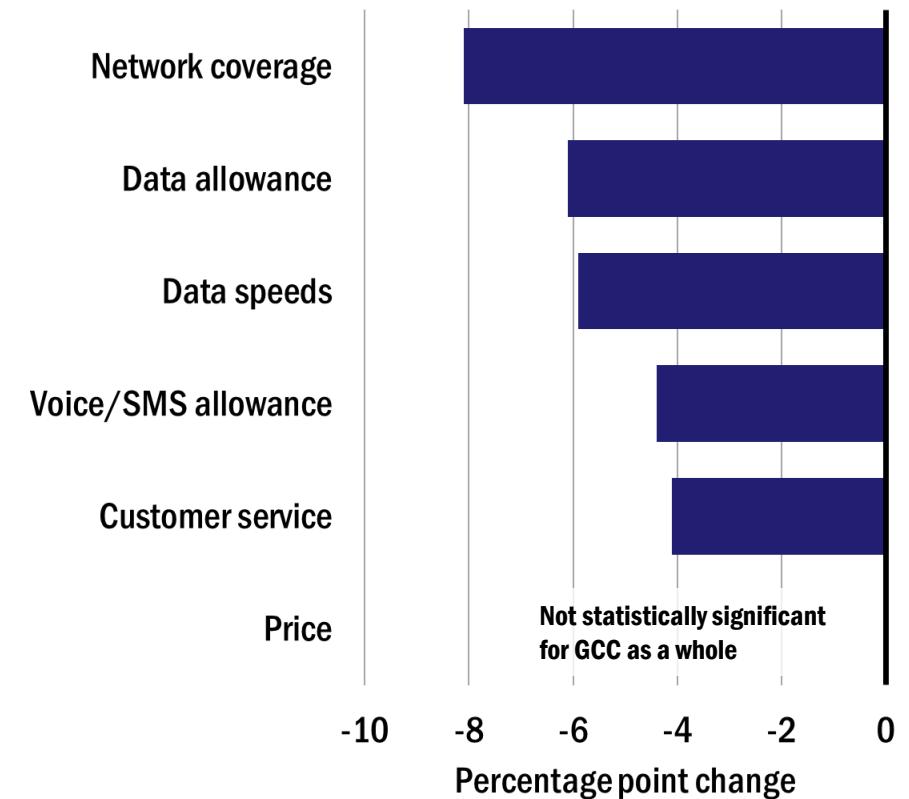
Despite the widespread presence of pricing as a stated motivation for churn, closer analysis reveals that other factors are often more decisive. This offers more room for operators to differentiate and to actively improve their churn performance.

We performed statistical regressions to explore the relationship between customer satisfaction levels and propensity to churn. The regressions assess the effect that a one-point improvement in satisfaction rating has on propensity to churn, all other things being equal. The measure shows the impact of an increase in satisfaction of one point (on a scale from 1 to 5) on the level of potential churn previously discussed.

As with the analysis on NPS, network coverage satisfaction shows the strongest influence. A one-point increase in this score decreased the potential churn rate by over 8 percentage points on average. This reflects the fact that intention to churn was generally higher among challenger operators.

In contrast to the NPS correlations, price satisfaction was not shown to be statistically significant at a regional level, again supporting its relatively low position among the factors cited by potential churners. The level of satisfaction with data allowances did, however, have a strong correlation. This is a related measure to price and probably includes some indication of value for money. It also suggests that there are opportunities for operators to use additional data to target potential churners.

Figure 11: Impact of increase in satisfaction with aspects of mobile services on intention to churn, GCC countries, 2017¹



Source: Analysys Mason

¹ Questions: : 'Please rate your satisfaction with the following aspects of your mobile service'; "Do you intend to make a change to your mobile service within 6 months?"; n = 3493.

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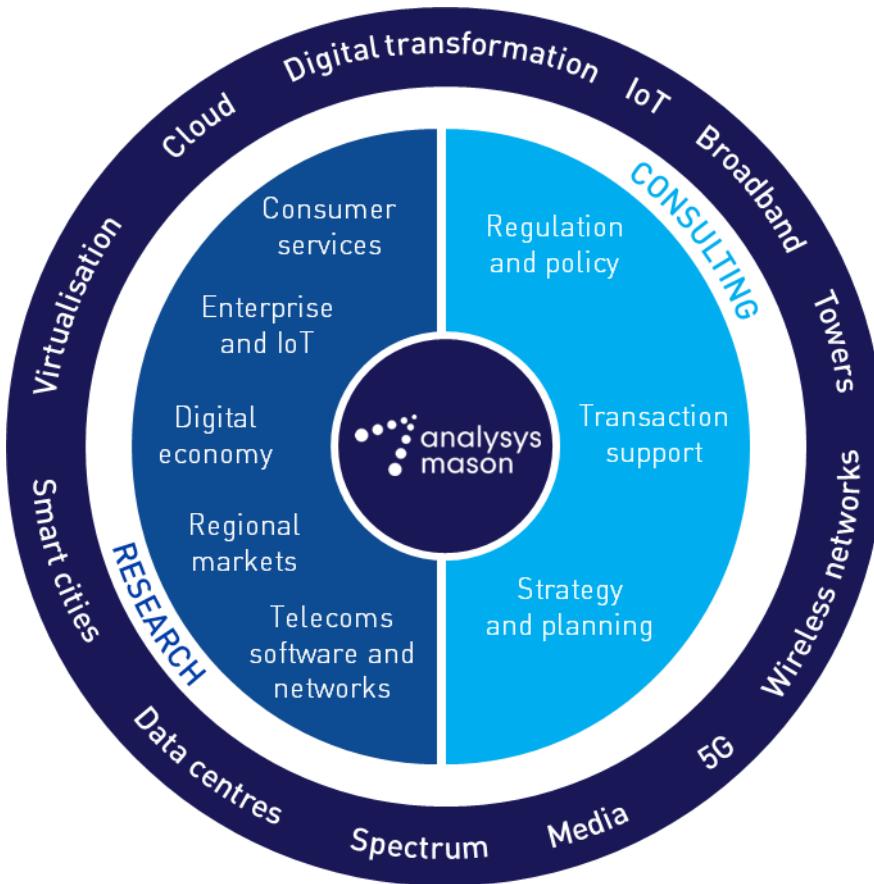
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