RESEARCH SURVEY REPORT

CONNECTED CONSUMER SURVEY 2016: OTT AND DIGITAL ECONOMY SERVICES IN EMERGING ASIA–PACIFIC

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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 smartphone users in the emerging Asia–Pacific (EMAP) region. In particular, it focuses on respondents' usage of over-the-top (OTT) communications and digital economy services. The survey was conducted in association with On Device Research.

The research was conducted in October and November 2016. 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 respondents in the region.

GEOGRAPHICAL COVERAGE

KEY QUESTIONS ANSWERED IN THIS REPORT

- Which OTT communications apps are used most in EMAP?
- How do EMAP consumers balance OTT communications with traditional services?
- What are the main payment mechanisms for ecommerce in EMAP?
- Which organisations are consumers in EMAP most willing to trust with their personal data?
- What are the trends in operator-led mobile money service usage in EMAP?

WHO SHOULD READ THIS REPORT

- Operator-based strategy executives and marketing managers who are interested in understanding consumer market trends, and the changing role of operators as communications and digital service providers.
- 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 in mobile communications, ecommerce, payments, and identity management.
- Equipment/device manufacturers and software providers that want to identify end-user trends in service and device usage and help their operator customers to better address market opportunities in mobile services and services related to ecommerce and payments.

WhatsApp and Facebook Messenger are emerging as the dominant communication apps across most of the surveyed countries

WhatsApp expanded its user base from 55% of survey respondents in 2015 to 61% in 2016 in Indonesia and from 76% to 81% over the same period in Malaysia.[1] In contrast, regional 'platform' propositions (such as LINE and WeChat) lost market share over the same period. LINE lost 21% of its share of users in Indonesia and WeChat dropped by 6% in Malaysia. The success of WhatsApp, at the expense of LINE and WeChat, is likely due to its global scale, combined with consumers' occasional use of its additional features The transition of older cohorts of users from BlackBerry Messenger to WhatsApp may have also contributed, especially in Indonesia.

Facebook Messenger has an overwhelmingly dominant position in the Philippines, which has so far precluded the development of any local alternatives. LINE and WeChat are present in the Philippines, but both have market shares below 10%.

Zalo (a domestic social messaging platform) has grown its user base in Vietnam across all age groups since its launch in 2011. It has thus established itself as the most solid competitor to Facebook Messenger in the country.

VoIP apps (such as Skype and Viber) are more widely-adopted in the Philippines and Vietnam than in Indonesia and Malaysia. This is supported by the availability of plans and add-ons offering VoIP-specific traffic from Globe Telecom and Smart (both Philippine operators).

[1] Indonesia and Malaysia sample sizes: *n* = 1500 in 2015; *n* = 2000 in 2016.

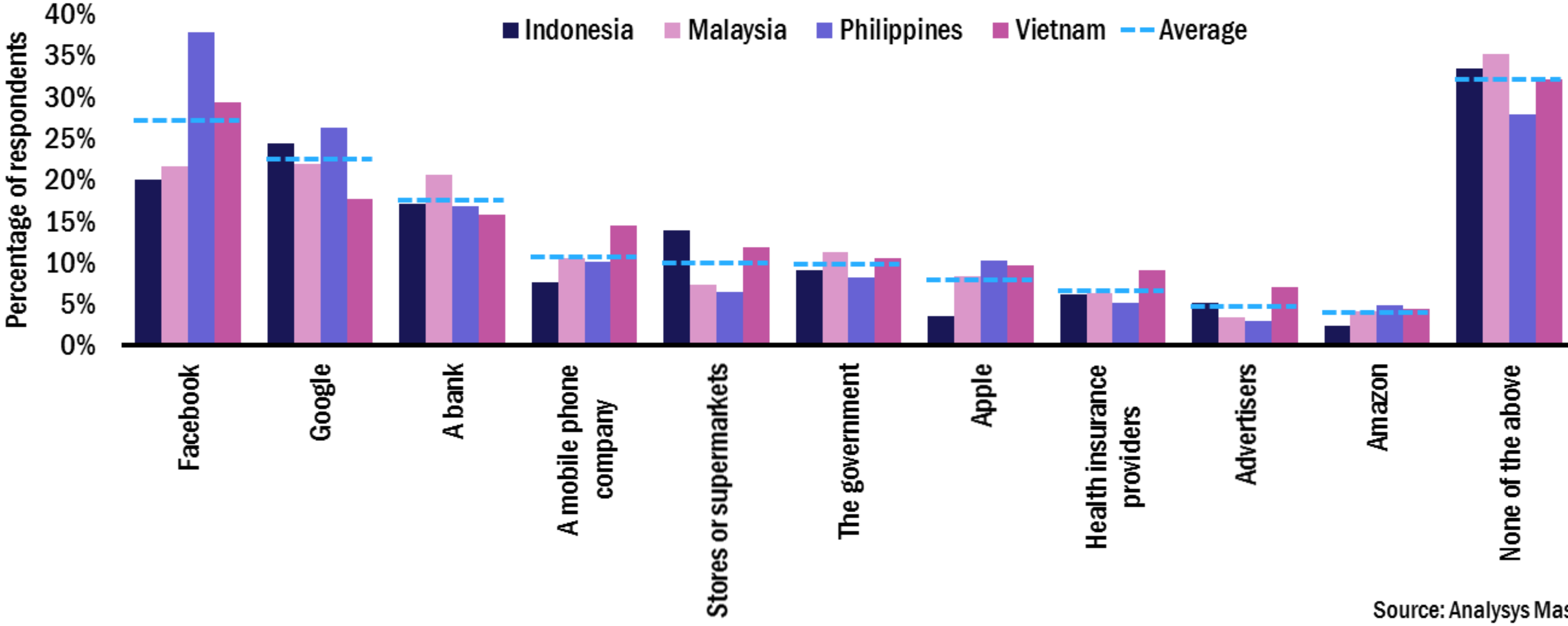
Figure 4: Penetration of selected communication apps by country[2]

	Indonesia	Malaysia	Philippines	Vietnam
Facebook Messenger	34%	43%	83%	67%
WhatsApp	61%	81%	10%	5%
LINE	40%	12%	7%	10%
Skype	4%	11%	28%	15%
WeChat	4%	39%	8%	5%
Viber	1%	2%	18%	12%
Telegram	5%	11%	2%	–
imo	4%	4%	5%	1%
KakaoTalk	2%	3%	4%	4%
Zalo	–	–	–	56%
Other	15%	7%	10%	7%
None	4%	3%	5%	7%

[2] Question: "Which of the following apps do you use for communicating with your friends and family on your mobile phone?"; *n* = 4000.

Mobile operators lag behind global Internet giants in gaining consumers' trust

Figure 15: Percentage of respondents willing to trust an organisation with personal data in exchange for a benefit by country and type of organisation[1]



Source: Analysys Mason

Facebook is the most-trusted company of respondents in EMAP, followed by Google. Operators must gain customers' trust if they are to capture market share for services that depend on the security and privacy of sensitive data.

27% of respondents in EMAP are willing to share their personal data with Facebook in exchange for a benefit, and 23% would similarly trust Google. Banks were the third-most trusted organisations with 18% of respondents, placing them ahead of mobile operators (11%). Levels of trust in mobile operators are low in EMAP compared to other regions,[2] suggesting that they must gain consumers' trust if they are to offer services that rely on sensitive customer data.

[1] Question: "Which of the following organisations would you be comfortable sharing your private data with in exchange for some sort of benefit such as a product or service discount?"; *n* = 4000.

[2] For example, see Analysys Mason's Reports *Connected Consumer Survey 2016: OTT and digital economy services in Sub-Saharan Africa* and *Connected Consumer Survey 2016: OTT and digital economy services in the Middle East and North Africa*

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About the authors

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Aris Xylouris (Analyst) is a key contributor to Analysys Mason's primary research for the *Consumer Services* research practice, and manages our *Connected Consumer Survey* and *Consumer smartphone usage* series of research. His work involves in-depth coverage of issues such as consumer behaviour, convergence and bundling, TV and media, and mobile and fixed service pricing. He also specialises in statistics and primary research analysis.

Giulio Sinibaldi (Research Analyst) focuses on data collection and analysis for the *Consumer Services* research practice. Before joining Analysys Mason, Giulio was an intern at the Italian permanent mission to the United Nations in Geneva, and in the Market Intelligence team of Philips Electronics (H&W) in Amsterdam. He holds a BSc and MSc in Economics and Social Sciences from Bocconi University (Italy), which included an exchange at Georgia Institute of Technology (Atlanta).

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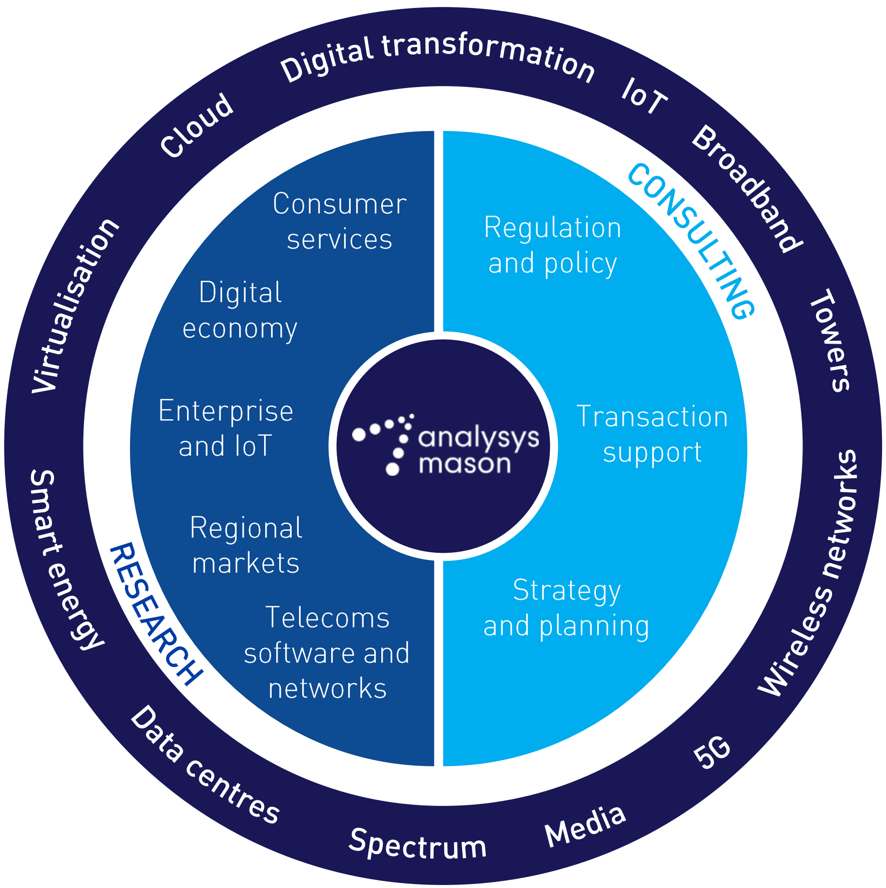

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