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RESEARCH SURVEY REPORT

CONNECTED CONSUMER SURVEY 2017: AUSTRALIA

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Optus continues to lead in customer satisfaction, but Vodafone shows signs of improved perception among its customer base

The Net Promoter Score (NPS) is a standard metric for measuring customer satisfaction. The main value of the metric is in comparing the results of peers in specific countries and demonstrating historical developments. Cross-country comparisons are difficult due to cultural variances. However, it is worth noting that operators in Australia scored relatively poorly in relation to their peers in Western Europe and the USA. Scores also decreased year-on-year for all Australian operators.

Customer satisfaction is important to operators because:

- the potential to upsell services is greater when the customer base is well-disposed

- satisfied customers are less likely to churn.

Optus continues to be the best-performing Australian operator in terms of customer satisfaction with an NPS of −5, down from +3 in 2016. Market share leader Telstra (with a 55% share of active SIMs in 3Q 2017) registered an NPS of −16, slightly behind that of Vodafone (−15). Vodafone's score improved significantly year-on-year: it was −24 in 2016. Vodafone has historically lagged behind in terms of network coverage. The improved NPS suggests that its remedial investment in metropolitan and regional areas is being recognised by its customers.

Customer numbers for the smaller players/MVNOs were relatively low, so we have reported them in the aggregate as 'Other'.

Figure 1: Net Promoter Score for selected mobile service providers, by country[1]
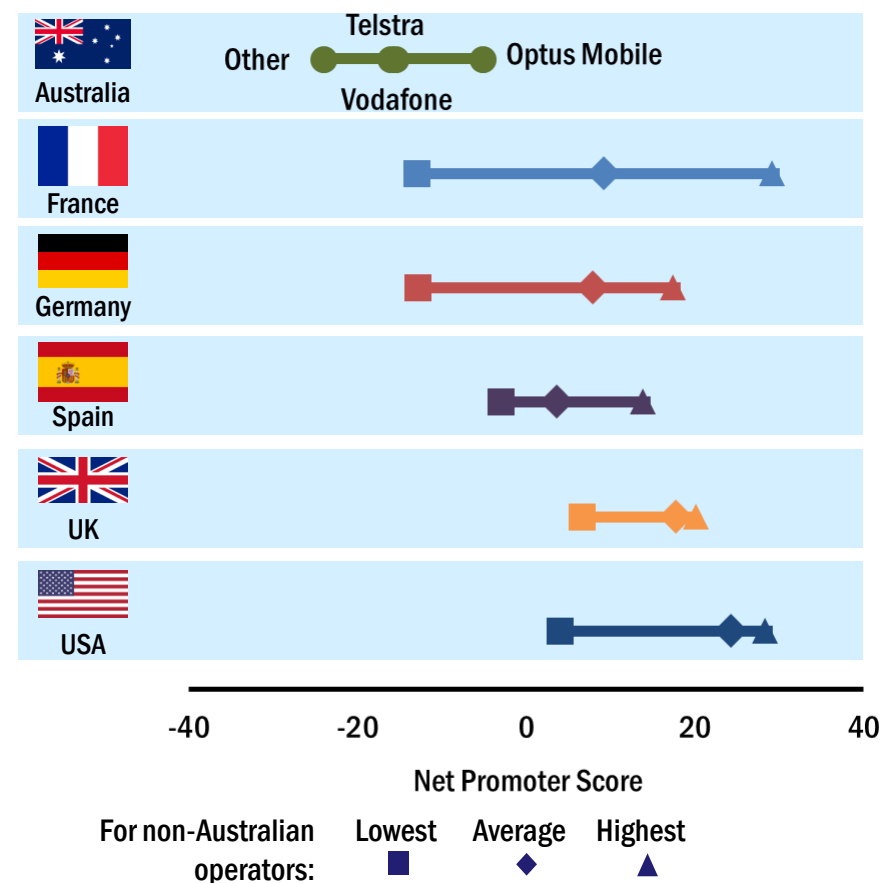
Source: Analysys Mason

[1] Question: "On a scale from 0–10 (where 0 = not at all likely, and 10 = definitely), how likely are you to recommend your mobile service provider to friends or family members?"; n = 6000.

Ecommerce adoption in Australia has yet to reach similar levels to that in Europe and the USA

14% of respondents in Australia made online purchases either weekly or on most days, but ecommerce engagement was not at the levels seen in mature markets.

Online shopping is a frequent activity in Australia. 46% of respondents made online purchases more than once a month, and 14% bought goods or services online at least weekly or on most days (Figure 14). This puts Australia at the midpoint between emerging Asia–Pacific (where about a third of panellists made online purchases more than once a month) and Western Europe and the USA (where an average of 60% of respondents bought goods online once per month or more) in terms of ecommerce engagement.[1]

52% of Australian female respondents made online purchases more than once a month, compared to 41% of males.

Female respondents in Australia engaged with ecommerce more frequently than males. Apparel and accessories was the most common product category for ecommerce overall (Figure 15), and a significantly higher proportion of female participants (65%) frequently bought apparel online, compared to males (34%). Operators should explore the possibility of providing ecommerce services that make it easier to buy these products online (such as easier returns).
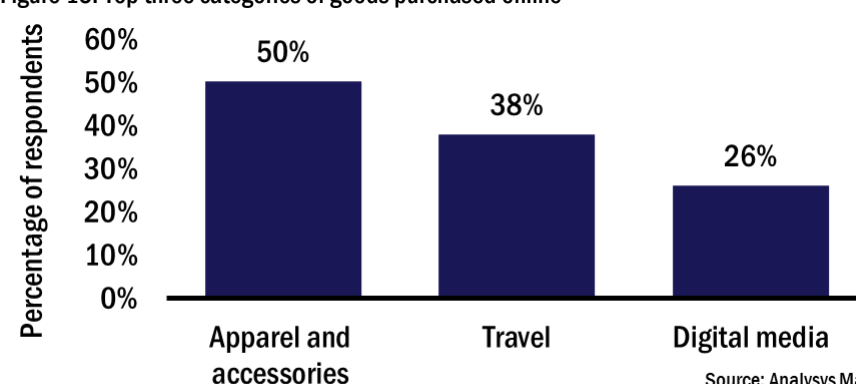
[1] See Analysys Mason's *Connected Consumer Survey 2017: OTT and digital economy services in Europe and the USA*.

Figure 14: Frequency of online purchases[2]
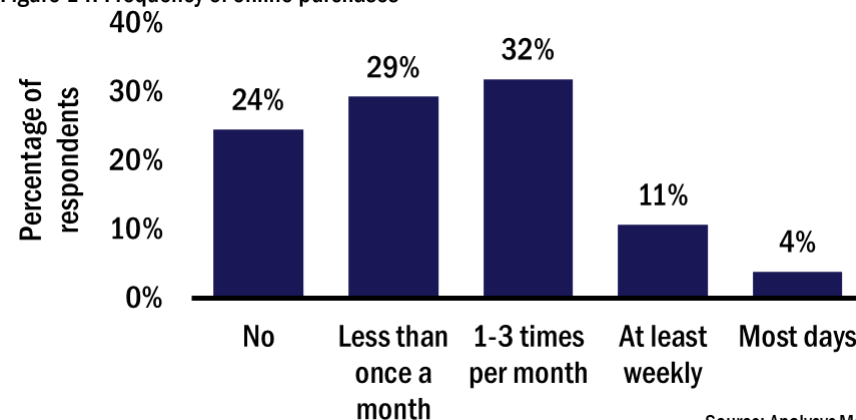
Source: Analysys Mason

Figure 15: Top three categories of goods purchased online[3]

Source: Analysys Mason

[2] Question: "Do you ever buy goods or services online? This includes both physical items, such as ordering shopping or a book to be delivered by post, and digital items such as apps or streaming video services." *n*=1000.

[3] Question: "What kind of goods do you usually purchase online? Please select all that apply."; *n*=755.

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About the authors [1]

Aris Xylouris (Senior Analyst) is the lead analyst of the *Fixed Broadband Services* programme and is a key contributor to Analysys Mason's primary research for the Consumer Services research practice. His areas of specialisation include fixed broadband strategy, the bundling and pricing of multi-play and convergence services, customer satisfaction and consumer-facing marketing strategy. He also specialises in statistics, surveys and the analysis of primary research, and manages Analysys Mason's *Connected Consumer Survey* and *Consumer smartphone analytics* series of research.

Stephen Sale (Research Director) oversees Analysys Mason's consumer research and is also the lead analyst for the *Future Comms* research programme. His primary areas of specialisation include next-generation communication services, over-the-top (OTT) player strategies and mobile pricing. He also has extensive experience in analysing operator strategies and forecasting fixed and mobile service markets. Before joining Analysys Mason in 2004, Stephen worked in the industry on areas that include VoIP, next-generation service architecture and broadband access. He has a degree in economics and an interdisciplinary MRes from the University of London.

Giulio Sinibaldi (Research 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.

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Enrique Velasco-Castillo (Senior Analyst) is a lead analyst for Analysys Mason's *Digital Economy Strategies* research programme, focusing on the opportunities for communications service providers and vendors in emerging verticals such as payments, ecommerce and advertising. Previously, Enrique covered mobile financial services and M&A and funding activity for more than 2 years at research firm IHS, where he wrote several reports on the opportunities for mobile operators in mobile payments and venture capital investments in mobile. Enrique also has research experience in 'cleantech' and healthcare from other previous roles.

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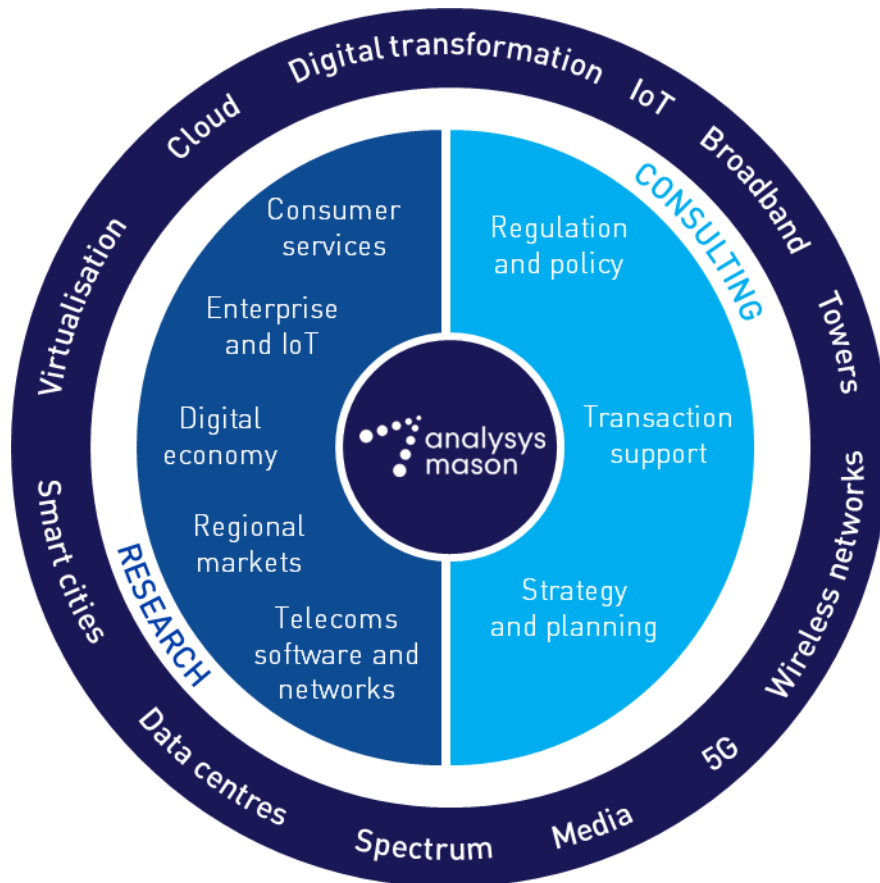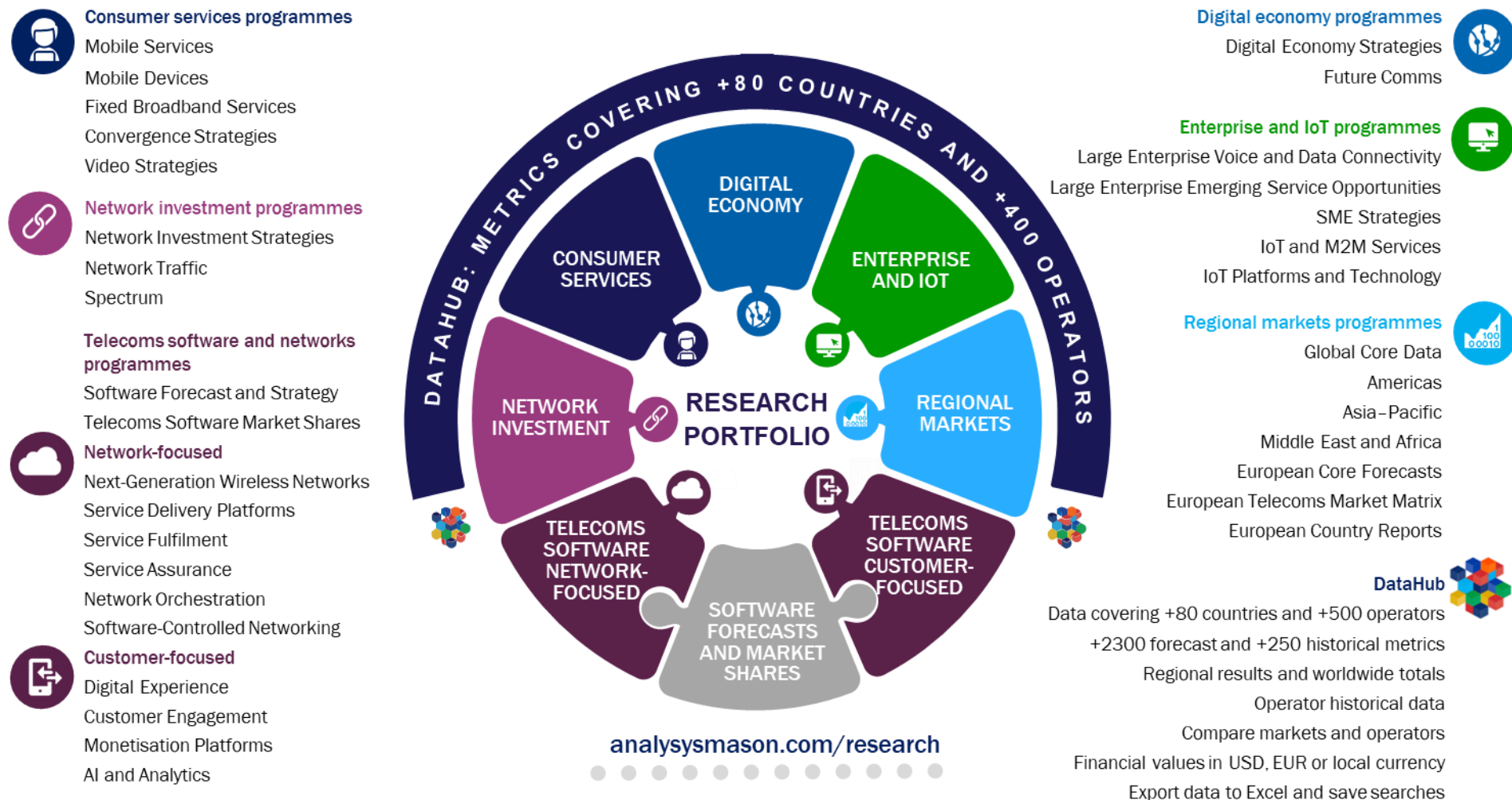

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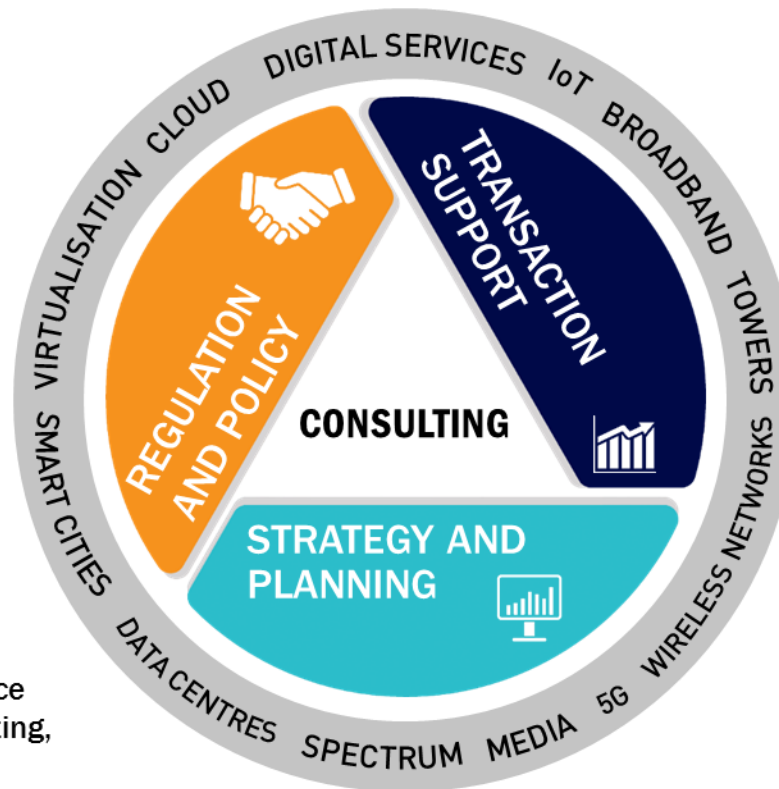
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