Connected Consumer Survey 2018: Taiwan

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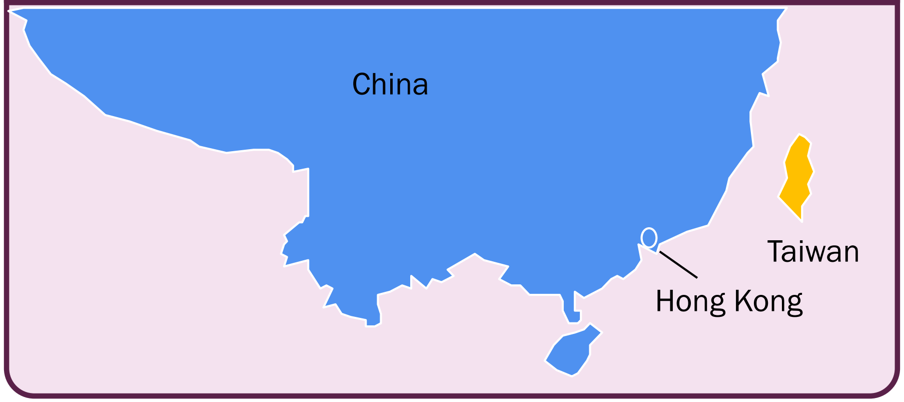
RESEARCH

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 Survey Sampling International between July and September 2018.

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



KEY QUESTIONS ANSWERED IN THIS REPORT

- What are the drivers of mobile and fixed customer experience? How are operators performing?
- What 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 Taiwanese video content consumption habits? Are OTT video services popular?
- Which OTT communication apps and digital services are used the most in Taiwan?

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.

Chunghwa is the NPS leader in Taiwan, but all operators have negative scores

NPS is the standard industry metric for tracking customer satisfaction. It is useful for comparing the performance of peers in specific countries, as well as measuring progress over time. We used the standard methodology for our NPS calculations.

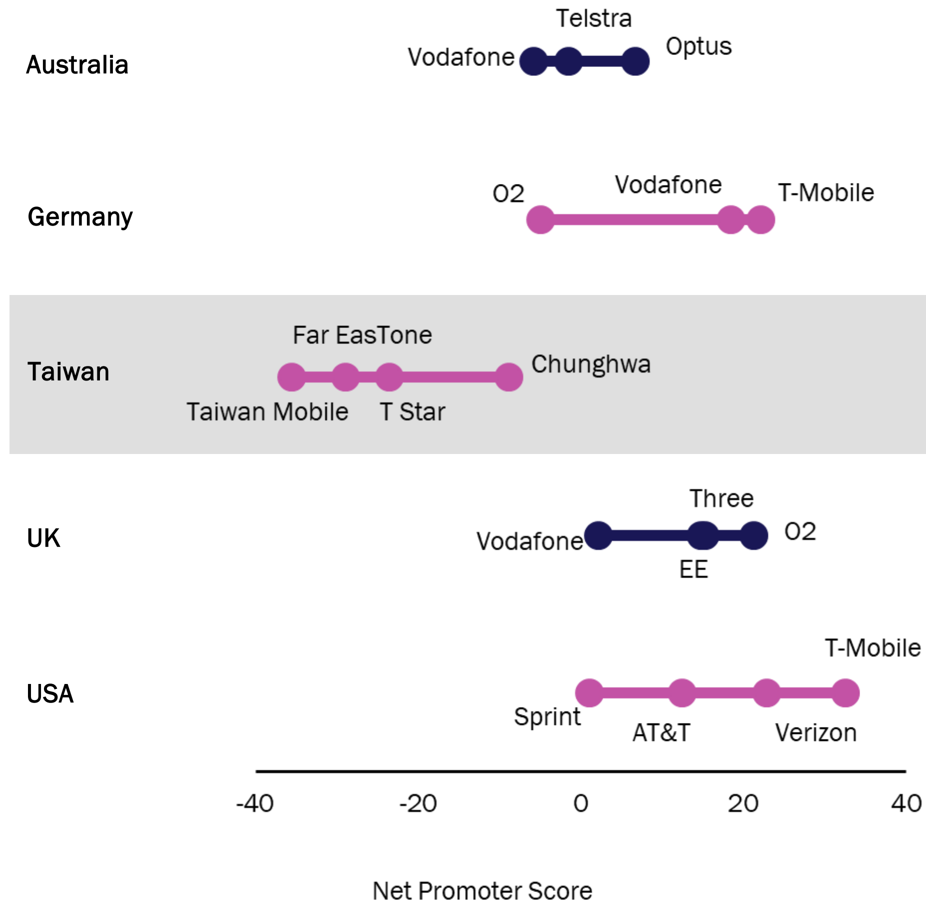
The NPSs for all Taiwanese mobile operators are negative, and the number of 'detractors' outweighs the number of 'promoters' in each case. Chunghwa has the highest score (–9) and Taiwan Mobile has the lowest (–36).

The main predictors of customers' willingness to recommend, and therefore NPS, in Taiwan are the levels of satisfaction with network performance, customer services and pricing.

Chunghwa's position as NPS leader derives mainly from its customers' positive perception of network quality, particularly in terms of coverage. T Star's customers are the most satisfied with pricing of all respondents in Taiwan, and this accounts for the operators' relatively strong NPS. Taiwan Mobile's customers were dissatisfied with prices and network performance.

Customer service satisfaction levels are reasonably low in Taiwan, and there is little difference between the operators. FET's and T Star's customers are slightly more satisfied with customer service than Chunghwa's and Taiwan Mobile's.

Figure 6: Net Promoter Score for mobile operators, selected countries[1]

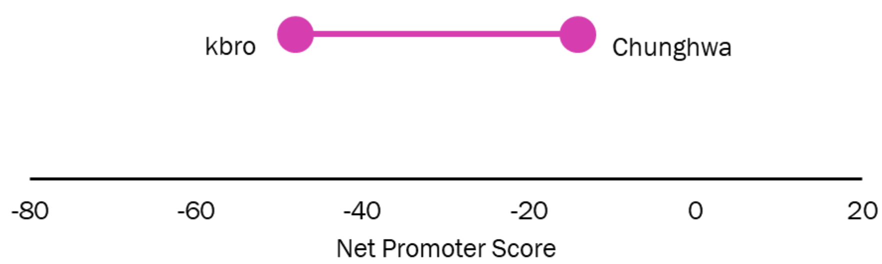


Source: Analysys Mason

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

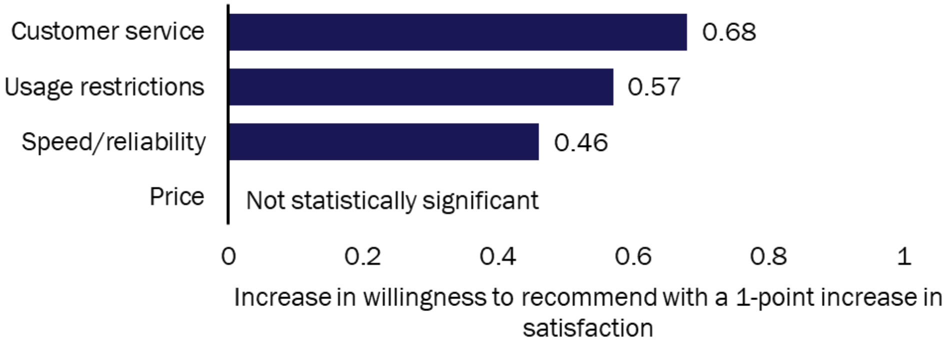
Chunghwa's subscribers are happier with their service than subscribers of other fixed providers; customer service is most-influential metric for NPS

Figure 9: Net Promoter Score, by fixed broadband provider, Taiwan[1, 2]



Source: Analysys Mason

Figure 10: Correlation between satisfaction levels for specific aspects of fixed broadband services and willingness to recommend, Taiwan[1]



Source: Analysys Mason

Two key points emerged when we analysed the NPS for fixed broadband providers.

- Incumbent Chunghwa outperformed cableco kbro and the rest of the market in terms of NPS. Compared to the rest of the market, Chunghwa also received higher satisfaction scores for all service aspects (overall satisfaction, speed, reliability, customer service, usage restrictions) except price.
- Fixed operators in Taiwan received lower NPSs than those in Australia, Europe, New Zealand and the USA (operators' NPSs ranged between –18 and +32 in these countries/regions). It is difficult to determine the extent to which cultural factors (rather than genuinely poor satisfaction) drove this, as this trend was also observed for mobile services.

Panellists said that they were the least satisfied with price out of all service aspects, but an analysis of the direct relationship between satisfaction with these aspects and willingness to recommend showed that increased customer service satisfaction was correlated with the greatest increase in willingness to recommend. This may explain why Chunghwa can charge higher prices than its rivals (an average of TWD835 compared to TWD649 for the rest of the market) for slightly lower speeds (an average of 71Mbit/s compared to 77Mbit/s for the rest of the market) while still maintaining an NPS lead.

[1] Please refer to the methodology section for sample size and relevant survey questions.
[2] The NPSs for TWM Broadband and FET seednet were not identifiable, but there was evidence that they were below Chunghwa's.

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About the authors and Analysys Mason

About the authors [1/2]

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.

Stephen Sale (Research Director) directs Analysys Mason's consumer research, which covers consumer mobile, fixed, convergence and video markets. His specialist areas are mobile operator strategies, customer experience and telco growth opportunities. He has extensive experience in advising senior executives on strategic issues and speaking at and chairing conferences. 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 (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.

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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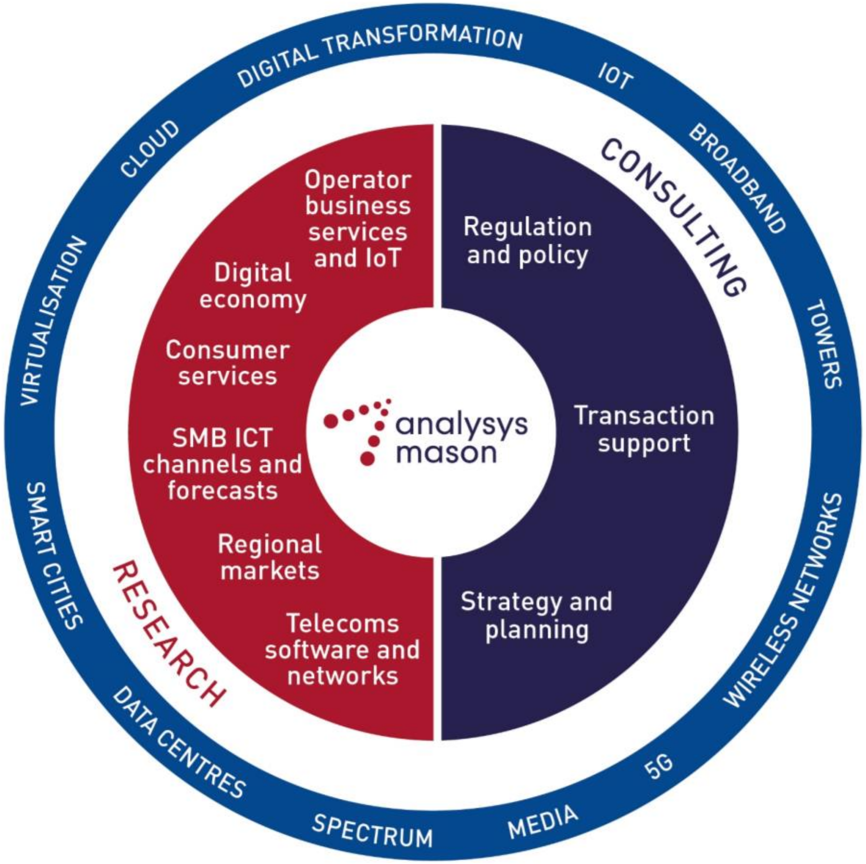

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