RESEARCH

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Connected Consumer Survey 2018: mobile customer satisfaction in Australia and New Zealand

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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 Australia and New Zealand. 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 between September and October 2018. 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 2000 in the region.

GEOGRAPHICAL COVERAGE

Developed Asia–Pacific

- Australia
- New Zealand

KEY QUESTIONS ANSWERED IN THIS REPORT

- What are the drivers of mobile customer experience? How do they vary by country and by operator?
- What key factors influence consumers' intention to churn? How have consumers' priorities evolved?
- What are the Net Promoter Scores (NPSs) of operators in Australia and New Zealand? Which companies lead and why?
- What is the effect of bundling additional services on customer retention? How do new service-based pricing models affect KPIs?
- What is the relationship between customer service and customer satisfaction?

WHO SHOULD READ THIS REPORT

- Operators' strategy executives and marketing managers who are interested in understanding the needs of their consumer customer base, the different drivers of customer experience and the impact of differing approaches to pricing on customer satisfaction.
- 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.
- Equipment/device manufacturers and software providers that want to identify end-user trends in service and device usage and help their operator customers to prioritise investments and improve their ability to address market opportunities.

Optus and 2degrees lead in terms of NPS; all three operators in Australia have improved their scores since last year

Respondents were asked to rate how likely they were to recommend their mobile operator on a scale of 0 (not at all likely) to 10 (definitely). The Net Promoter Score (NPS) is calculated by subtracting the percentage of subscribers that rated the operator 6 or below (detractors) from the percentage that rated it 9 or 10 (promoters).

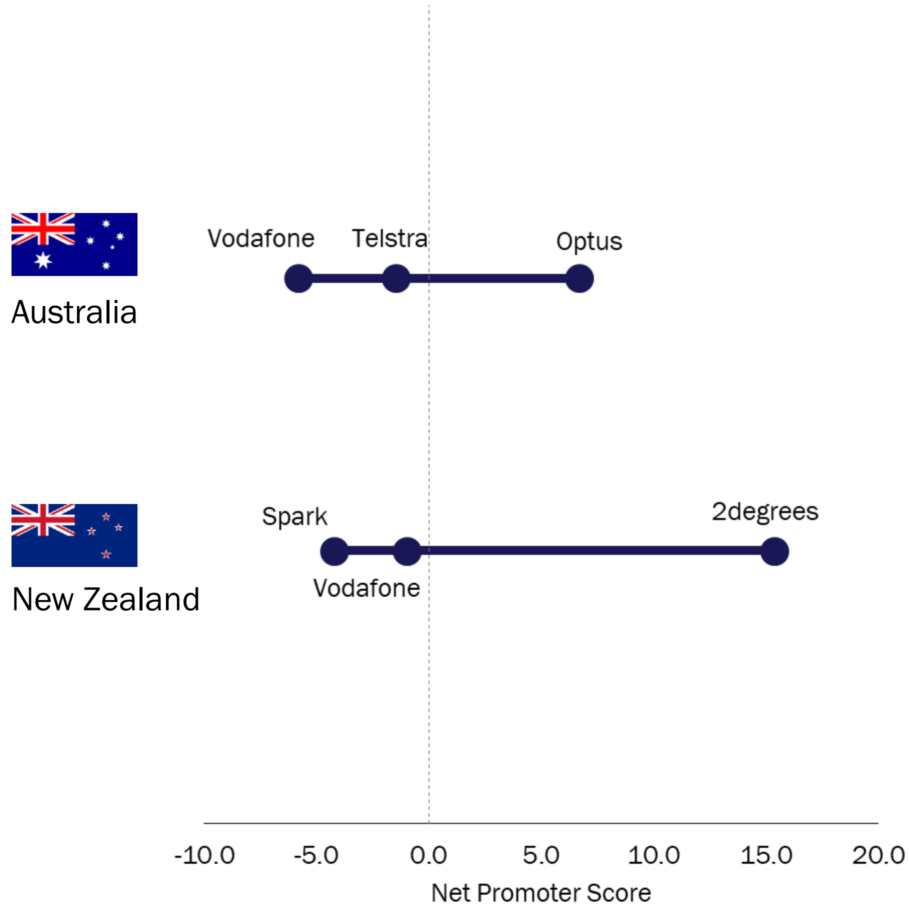
The NPS reflects consumers' overall satisfaction with operators. Scores in ANZ were not high, and four of the six main operators scored below zero.

The best-performing mobile providers were 2degrees in New Zealand (+15) and Optus in Australia (+7). Optus continued to be the best in class in Australia and its NPS for 2018 was 12 points higher than that for 2017. Previous data for New Zealand is not available as this is the first iteration of the *Connected Consumer Survey* for this country.

Mobile market share leaders Telstra and Vodafone NZ ranked second in their respective markets in terms of NPS. Telstra went from third place in 2017 (with an NPS of −16) to second place in 2018 (with an NPS of −1). Vodafone NZ's NPS was only −6, but this was a significant improvement over its previous score of −15.

Customer satisfaction is important to operators because the potential to upsell services is greater when the customer base is happy, and because satisfied customers are less likely to churn.

Figure 2: Net Promoter Score for mobile operators, Australia and New Zealand[1]



Source: Analysys Mason

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

Price and customer service continue to pull down satisfaction levels in Australia

Chorus received high marks in all areas; price and customer service are the main issues for Telstra.

We asked respondents how satisfied they were with specific elements of their mobile services.[1] The highest levels of satisfaction were with voice and SMS allowances; this is not surprising as large or unlimited allowances are now commonplace in ANZ. As in 2017, the lowest satisfaction ratings were for price and customer service. Telstra scored lower than Optus and Vodafone on both counts. 12% of Telstra's customers said that they were dissatisfied with customer service compared to 8% of Optus's customers and 7% of Vodafone's. However, in 2017, 24% of Telstra's customers were dissatisfied with customer service, so this was still a significant improvement. 15% of respondents said that they were dissatisfied with Telstra's prices. This was the lowest score across all service attributes and operators.

Vodafone has been penalised due to inferior network coverage.

Customers were, on average, reasonably satisfied with network coverage. Vodafone received the lowest score for this service attribute and Telstra obtained the highest score. Telstra claims to have reached 99.2% of the population with 4G as of 1H 2018, ahead of Optus (97.2%) and Vodafone (89%[2]). The proportion of customers that were 'dissatisfied' with network coverage decreased from 8% in 2017 to 6% in 2018 for Telstra, from 13% to 5% for Optus and from 13% to 12% for Vodafone.

Figure 3: Average customer satisfaction scores for different elements of the mobile service, by operator, Australia[3]

Service attribute	Telstra	Optus	Vodafone
Call/SMS allowance	4.1	4.2	4.1
Network coverage	4.1	4.0	3.7
Data speed	3.9	3.9	3.9
Data allowance	3.7	3.9	3.8
Price	3.5	3.9	3.8
Customer service	3.6	3.8	3.8
Overall	4.0	4.1	3.9

Source: Analysys Mason

[1] Respondents rated their satisfaction on a scale of 1–5, where 1 is 'very dissatisfied' and 5 is 'very satisfied'.
[2] Vodafone said that it provides coverage to 22 million Australians.
[3] Please refer to the appendix for sample size and relevant survey questions.

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About the authors

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.

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.

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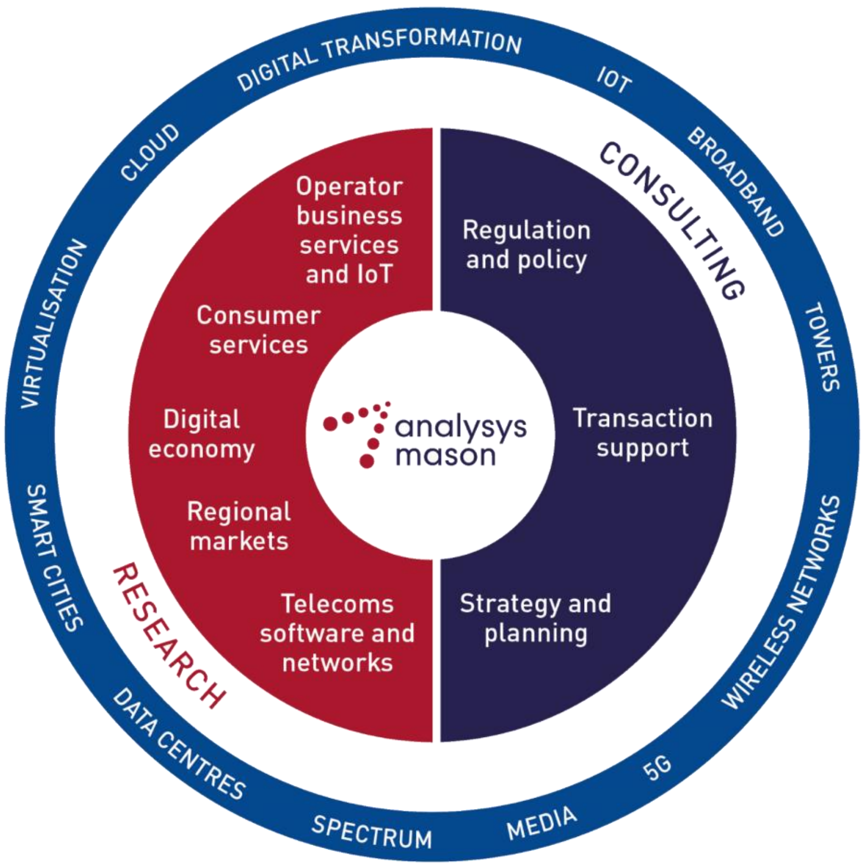

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