



Connected Consumer Survey 2019: mobile services and devices in Australia and New Zealand



Rémy Pascal

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 (ANZ). In particular, it focuses on consumer spend on mobile services and devices.

The survey was conducted in association with Dynata between July and August 2019. 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.

KEY QUESTIONS ANSWERED IN THIS REPORT

- What is the relationship between the use of 4G technology and mobile users' service spend?
- What is the relationship between data usage and spend?
- How do service-based pricing and the bundling of value-added services affect spend?
- What is the level of awareness of 5G technology, and to what extent are customers interested in and willing to pay for 5G-enabled services?
- How much do consumers spend on their smartphones and how often they replace them?

GEOGRAPHICAL COVERAGE

Developed Asia-Pacific (DVAP):

- Australia
- New Zealand

WHO SHOULD READ THIS REPORT

- Operators' strategy executives and marketing managers who are interested in understanding the needs of their consumer customer base and the different drivers of customer spend.
- 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.

Operators in ANZ will focus on promoting 5G in 2020, but they should not neglect their efforts to migrate 3G users to 4G

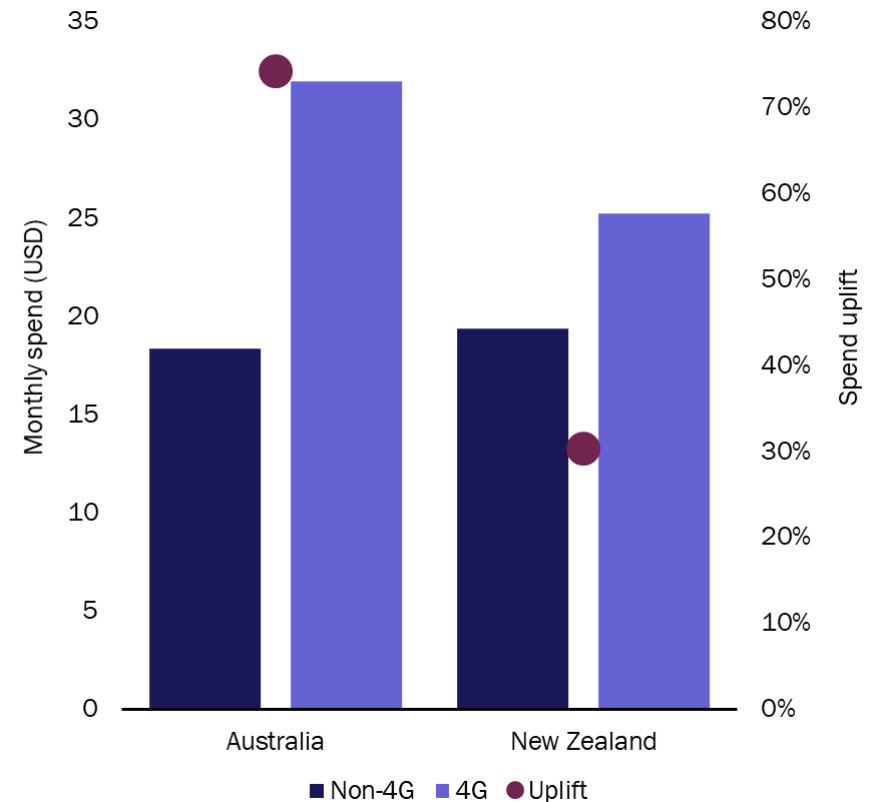
4G users in ANZ spent significantly more on their mobile service in 2019 than non-4G users.

82% and 69% of respondents in Australia and New Zealand, respectively, used 4G in 2019, compared to 78% and 62% in 2018. We calculated a 4G spending uplift of 74% and 30% in Australia and New Zealand, respectively, based on self-reported spending. The proportion of postpaid users is larger among 4G panellists than non-4G panellists, which partially explains this spending uplift because postpaid customers generally spend more. 4G users are also heavier data users; 35% of them use 5GB or more per month compared to only 13% of non-4G users. 4G subscribers are more engaged and more satisfied than 2G/3G users, so operators should continue their 4G migration efforts.

Operators need to improve 4G coverage and incentivise non-4G users to migrate.

More users have migrated to 4G in Australia than in New Zealand, but the coverage for 3G is still greater than that for 4G in both countries (2G has been shut down by all operators except Vodafone NZ). This limits further migration and must be addressed, especially by operators that are phasing out 3G networks. 5G launches will receive a lot of attention, but 3G users should not be neglected and should be incentivised to migrate to at least 4G. Early adopters of 5G in Australia spent more than 4G users, but we attribute this to their early-adopter profile (generally high spenders) until we have further proof otherwise.

Figure 2: Average monthly self-reported mobile service spend and spending uplift for 4G users compared with non-4G users, ANZ, 2019^{1,2,3}



Source: Analysys Mason

¹ Please refer to the appendix for sample sizes and relevant survey questions. ² All respondents are smartphone owners and the panel includes a higher share of postpaid respondents than the actual market by design. ³ Participants reported the spending bracket to which they belonged, rather than a specific amount, so we used the median value for each spending bracket.



Executive summary and recommendations

Analysis

Methodology and panel information

About the author and Analysys Mason

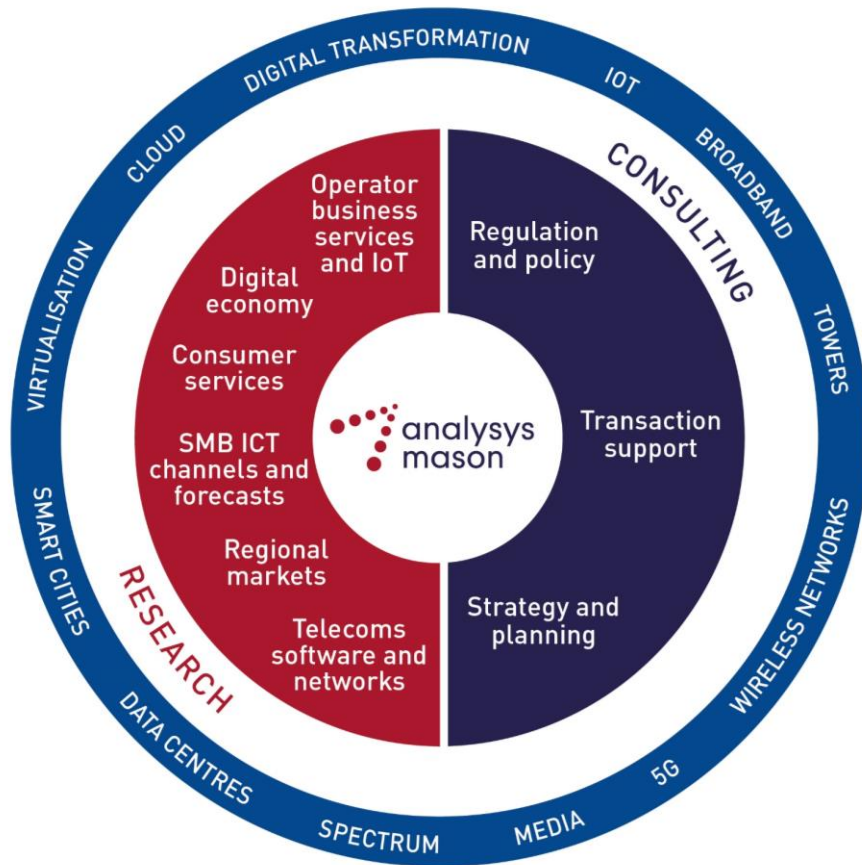
About the author



Rémy Pascal (Senior Analyst) joined Analysys Mason's Asia-Pacific research team in August 2018 and is based in the Singapore office. He contributes to various research programmes including those in the Consumer services research practice. His areas of specialisation are mobile operator strategies, 5G, digital economy and markets in Asia-Pacific. Rémy has more than 9 years of experience in the telecoms and ICT sectors. Before joining Analysys Mason, he worked in various positions at Samsung Electronics 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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