OliverWyman

GLOBAL CONSUMER SURVEY 2023

Telecom Operators: Mobile and Fixed Connectivity

July 2023

QUALIFICATIONS, ASSUMPTIONS, AND LIMITING CONDITIONS

This report is for the exclusive use of the Oliver Wyman client named herein. This report is not intended for general circulation or publication, nor is it to be reproduced, quoted, or distributed for any purpose without the prior written permission of Oliver Wyman. There are no third-party beneficiaries with respect to this report, and Oliver Wyman does not accept any liability to any third party.

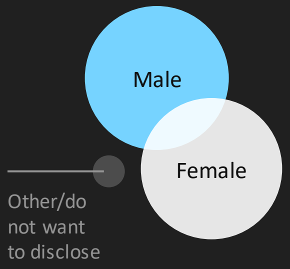
Information furnished by others, upon which all or portions of this report are based, is believed to be reliable but has not been independently verified, unless otherwise expressly indicated. Public information and industry and statistical data are from sources we deem to be reliable; however, we make no representation as to the accuracy or completeness of such information. The findings contained in this report may contain predictions based on current data and historical trends. Any such predictions are subject to inherent risks and uncertainties. Oliver Wyman accepts no responsibility for actual results or future events.

The opinions expressed in this report are valid only for the purpose stated herein and as of the date of this report. No obligation is assumed to revise this report to reflect changes, events, or conditions, which occur subsequent to the date hereof.

All decisions in connection with the implementation or use of advice or recommendations contained in this report are the sole responsibility of the client. This report does not represent investment advice nor does it provide an opinion regarding the fairness of any transaction to any and all parties. In addition, this report does not represent legal, medical, accounting, safety, or other specialized advice. For any such advice, Oliver Wyman recommends seeking and obtaining advice from a qualified professional.

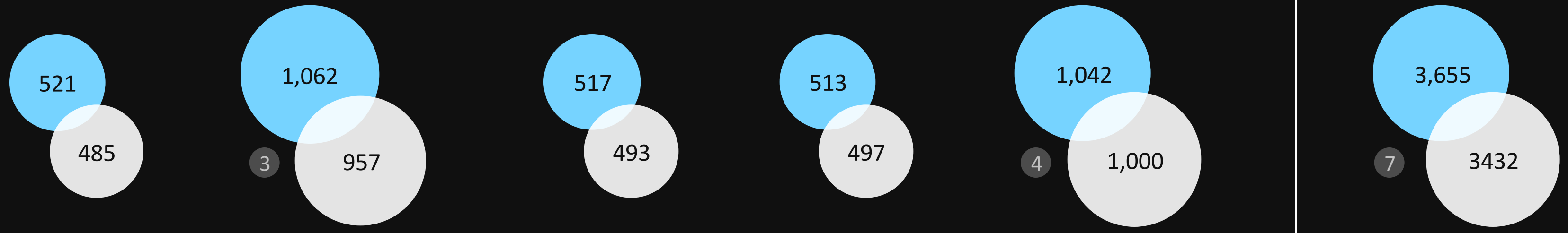
SAMPLE DETAILS

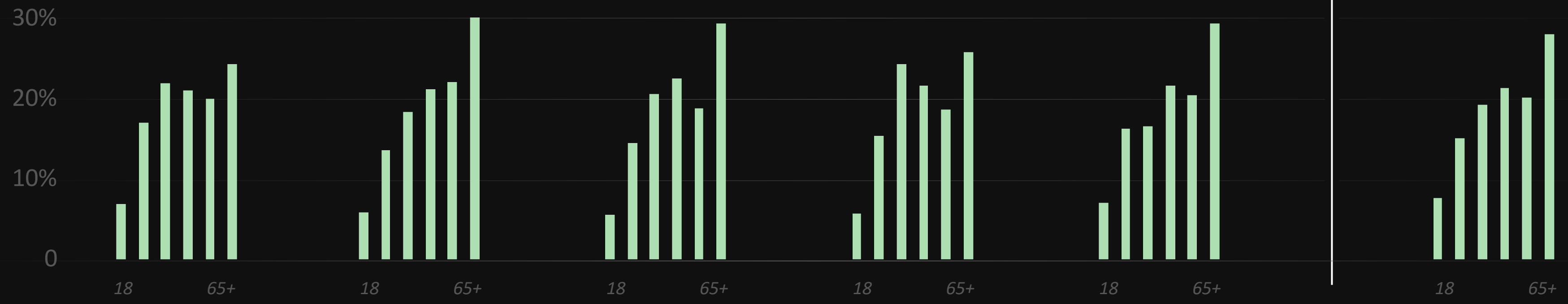
Sex distribution



Age distribution (%)

France	Germany	Italy	Spain	UK	Europe
1,006	2,022	1,010	1,010	2,046	7,094
Total	Total	Total	Total	Total	Total





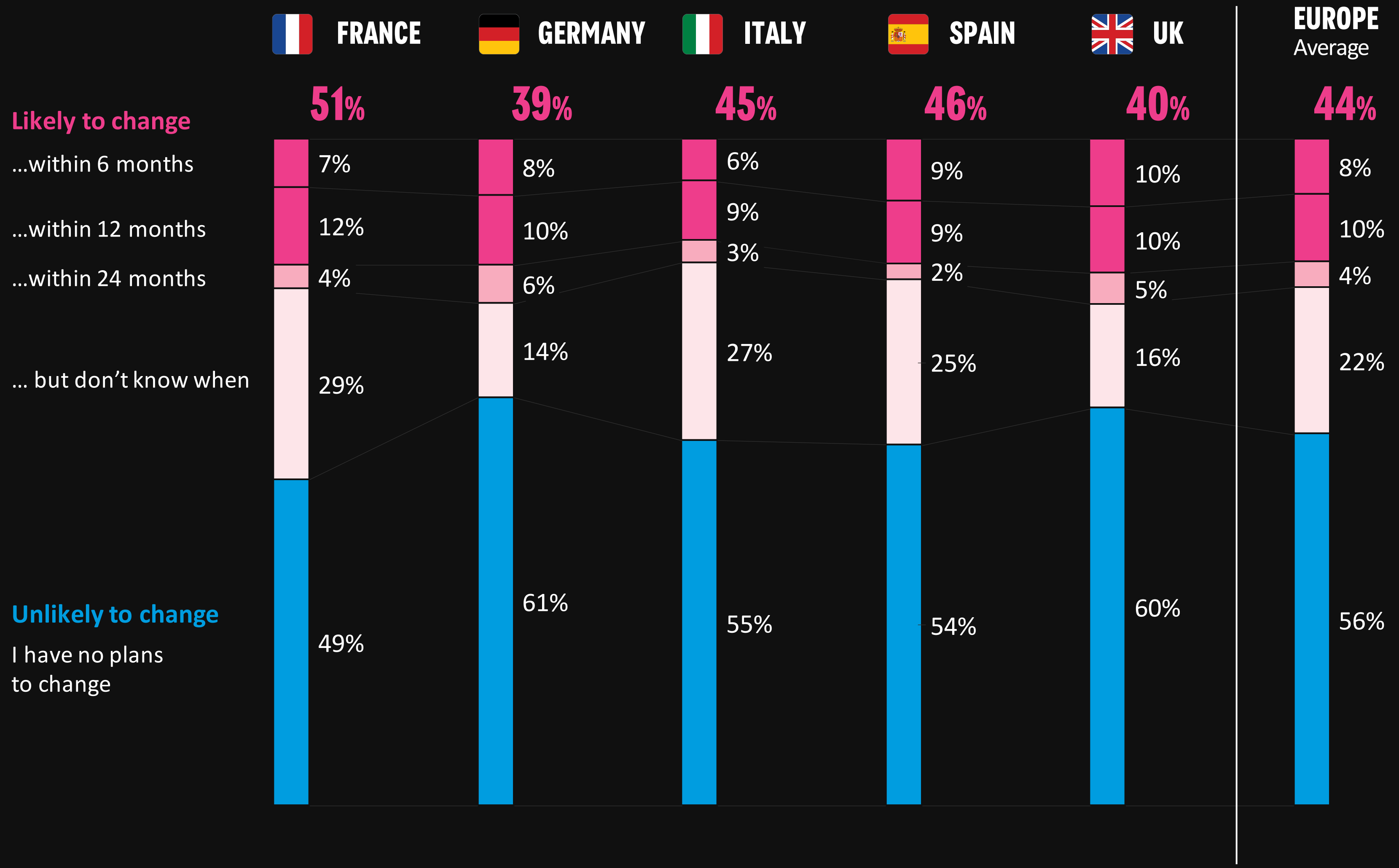
1

TELECOM OPERATORS: MOBILE AND FIXED CONNECTIVITY

9% OF SPANISH CONSUMERS PLAN TO SWITCH THEIR MOBILE OPERATOR WITHIN THE NEXT 6 MONTHS; A RELATIVELY HIGHER CHURN INTENTION VS OTHER EU MARKETS

How likely are you to switch mobile phone service provider?

% of respondents

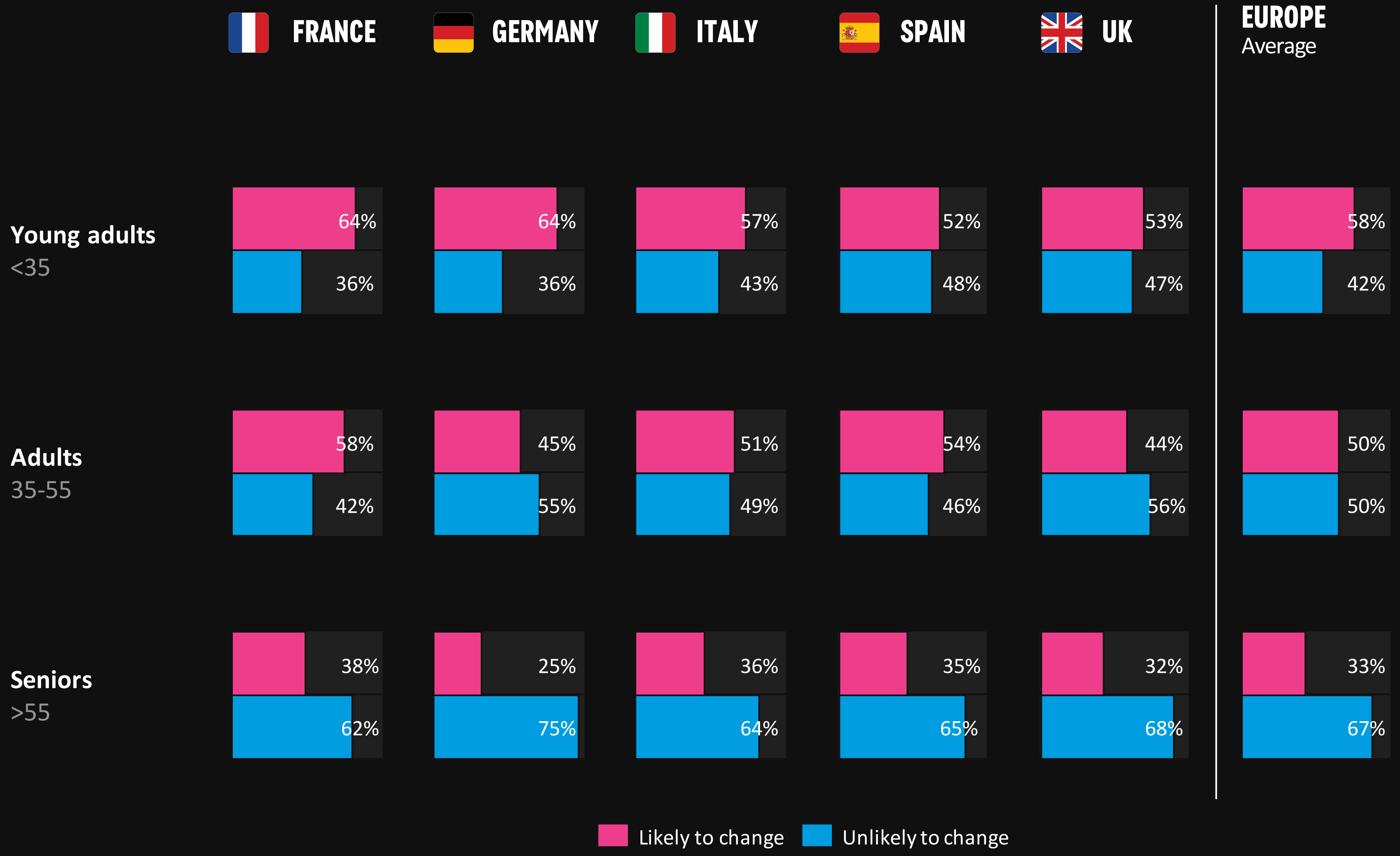


Source: Oliver Wyman Telco Consumer Survey 2023.

YOUNGER CONSUMERS ARE MORE PRONE TO SWITCH OPERATORS WHILE SENIORS ARE MORE LOYAL – THAT BEING A PARTICULARLY STRONG PATTERN IN GERMANY

How likely are you to switch mobile phone service provider?

% of respondents

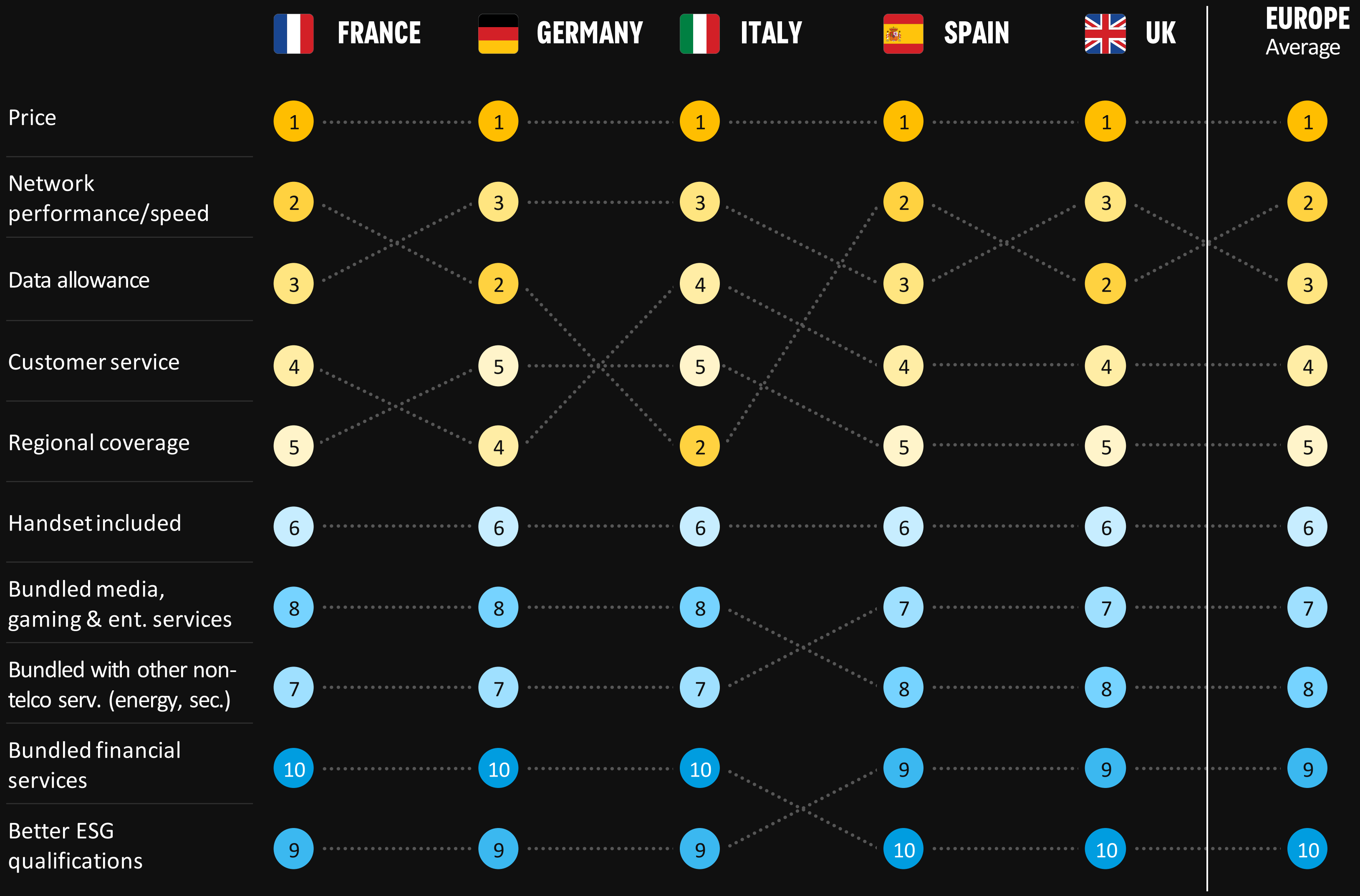


Source: Oliver Wyman Telco Consumer Survey 2023.

PRICE IS THE SINGLE MOST RELEVANT DECISION ELEMENT ACROSS MARKETS. ESG AND HOLISTIC OFFERINGS BEYOND THE TELCO CORE ARE NOT SEEN AS COMPETITIVE ADVANTAGES

Please rank (1-10) each factor when deciding your next mobile service purchase

Average ranking by respondents considering to switch (1=most important, 10=least important)



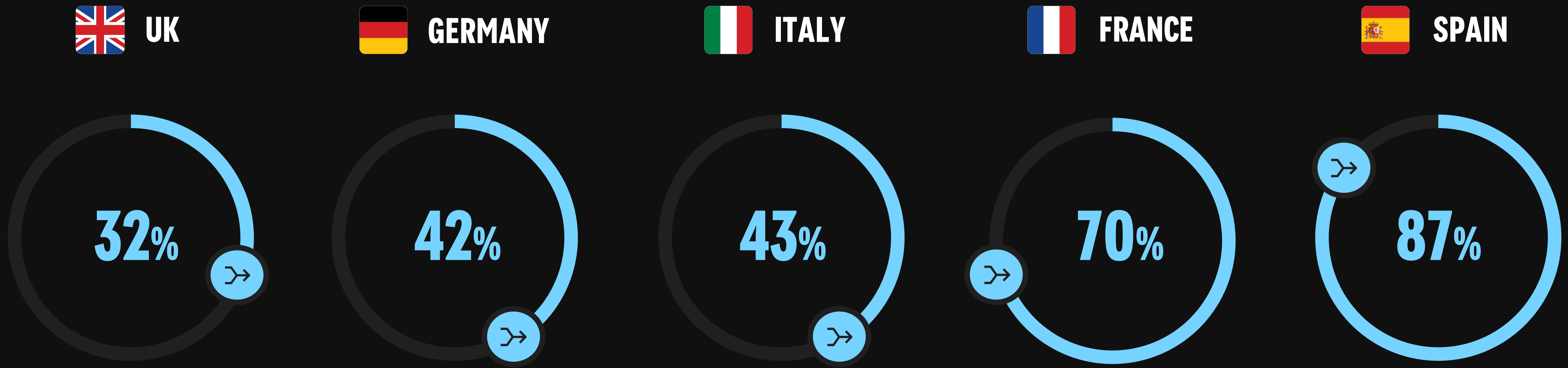
	FRANCE	GERMANY	ITALY	SPAIN	UK	EUROPE Average
Price	1	1	1	1	1	1
Network performance/speed	2	3	3	2	3	2
Data allowance	3	2	4	3	2	3
Customer service	4	5	5	4	4	4
Regional coverage	5	4	2	5	5	5
Handset included	6	6	6	6	6	6
Bundled media, gaming & ent. services	8	8	8	7	7	7
Bundled with other non-telco serv. (energy, sec.)	7	7	7	8	8	8
Bundled financial services	10	10	10	9	9	9
Better ESG qualifications	9	9	9	10	10	10

Source: Oliver Wyman Telco Consumer Survey 2023.

SPAIN HOLDS THE HIGHEST CONVERGENCE PENETRATION IN EUROPE AND UK THE LOWEST

FMC penetration by country

2023; % of households where the same operator provides fixed broadband and the primary mobile line

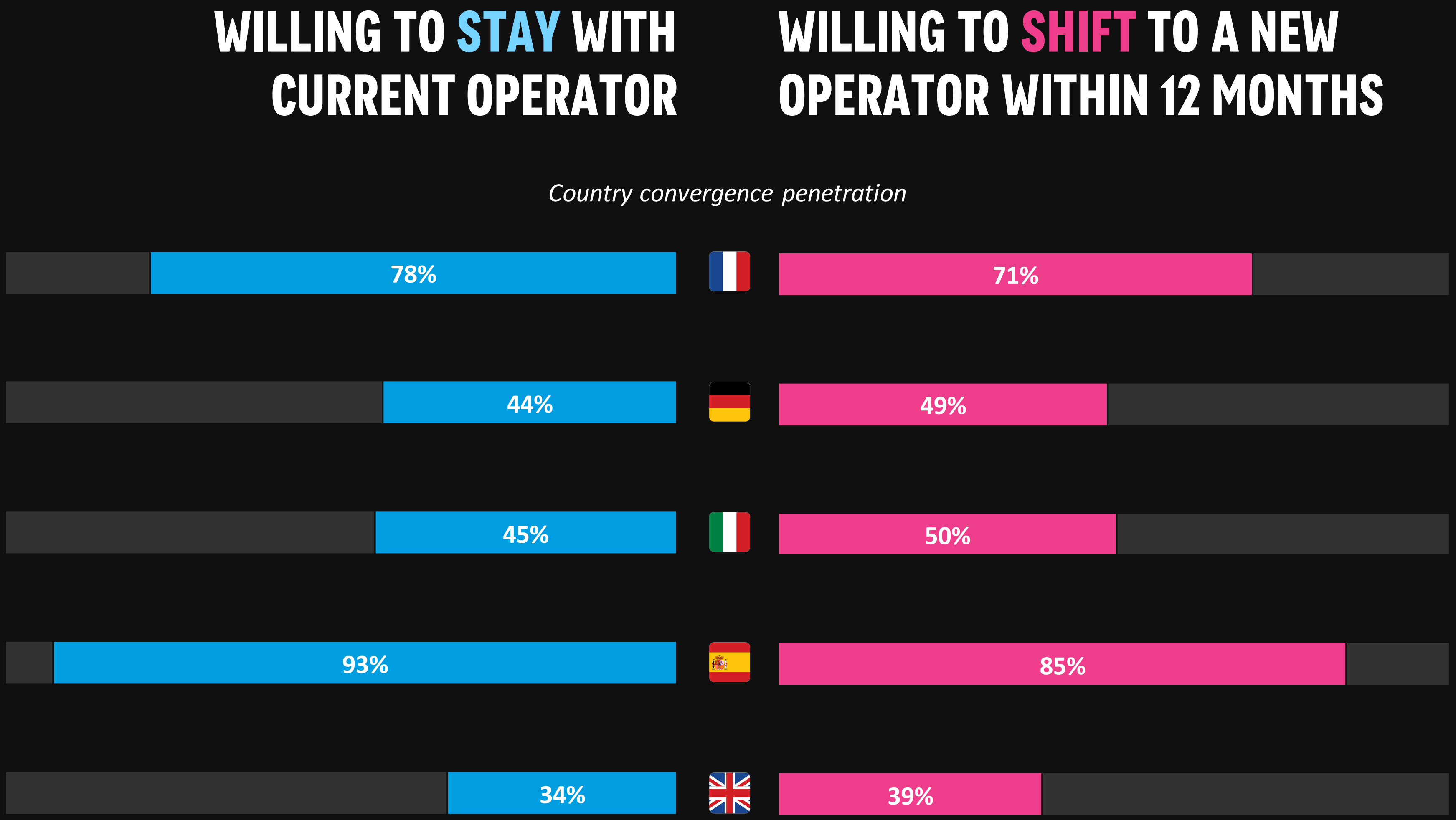


Source: Oliver Wyman Telco Consumer Survey 2023.

IN UK, DE AND IT, CONVERGENCE IS INEFFECTIVE TO BIND MOBILE CONSUMERS. IN FR AND ES WHERE 70%+ OF CONSUMERS HAVE FMC PRODUCTS IT IS STILL SEEN A MODERATE BINDING EFFECT

How likely are you to switch mobile phone service provider within the next 12 months?

FMC penetration by country for respondents stating a preference

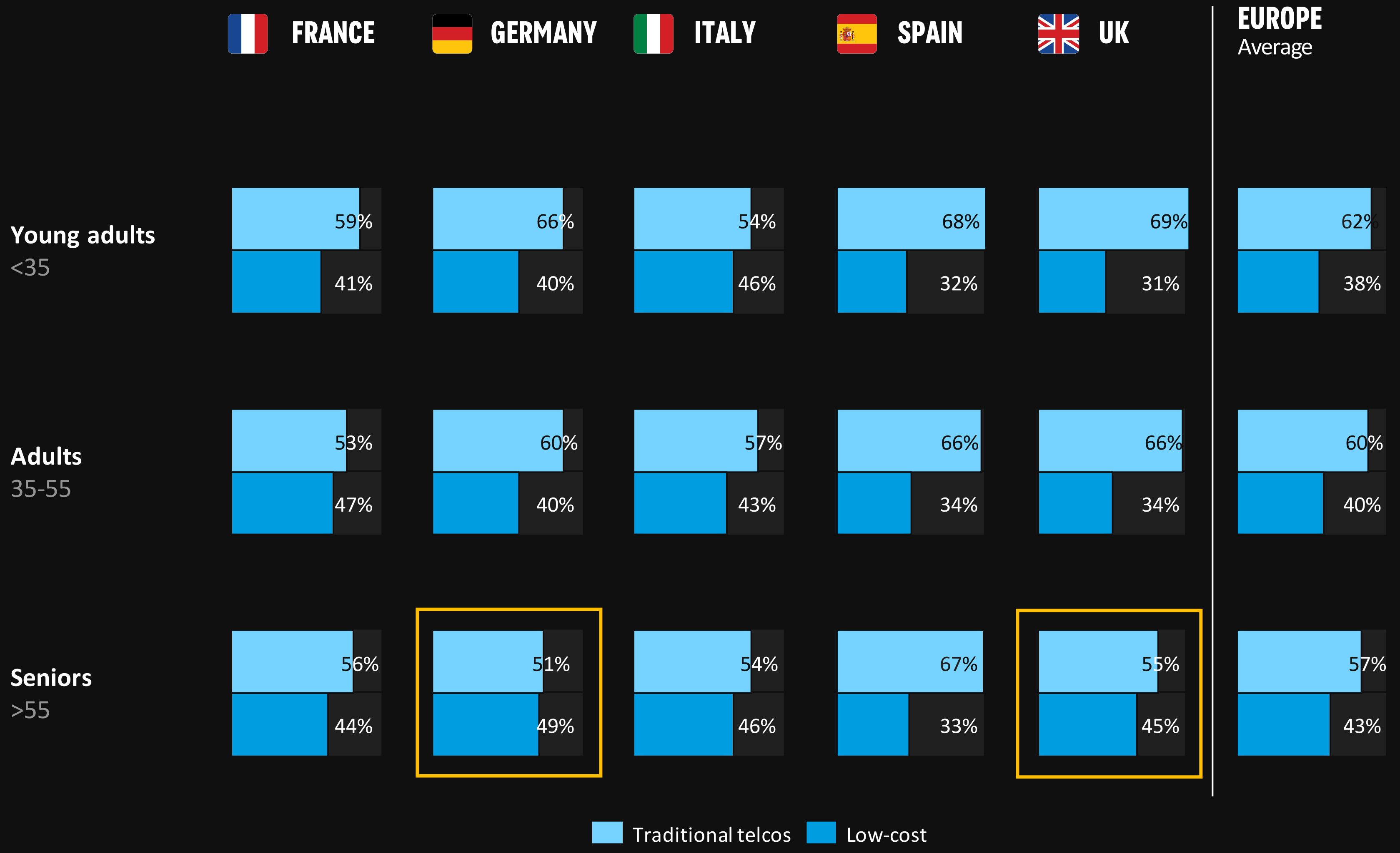


Source: Oliver Wyman Telco Consumer Survey 2023.

LOW-COST OPERATORS SHOW A BALANCED PENETRATION ACROSS AGE SEGMENTS BEING EXCEPTIONALLY STRONG AMONG SENIORS IN GERMANY AND UK

Please indicate the primary mobile service provider for your household

% of respondents

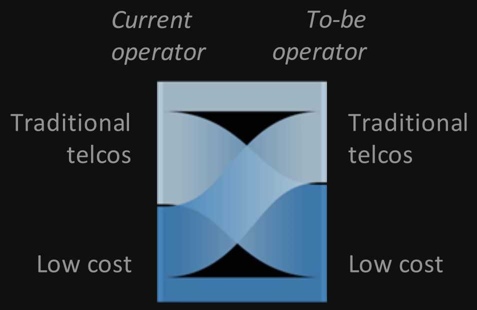


Source: Oliver Wyman Telco Consumer Survey 2023.

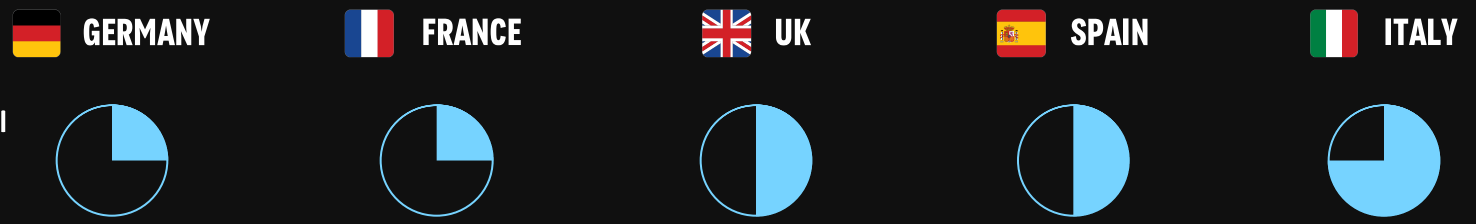
WE CONSISTENTLY SEE A MIGRATION TO LOW-COST OPERATORS; GERMANY BEING THE MARKET WHERE TRADITIONAL TELCOS ARE MORE RESILIENT

Which mobile provider are you thinking about moving to?

% of respondents considering to switch within the next 12 months



Low-cost additional attractiveness vs. traditional telco



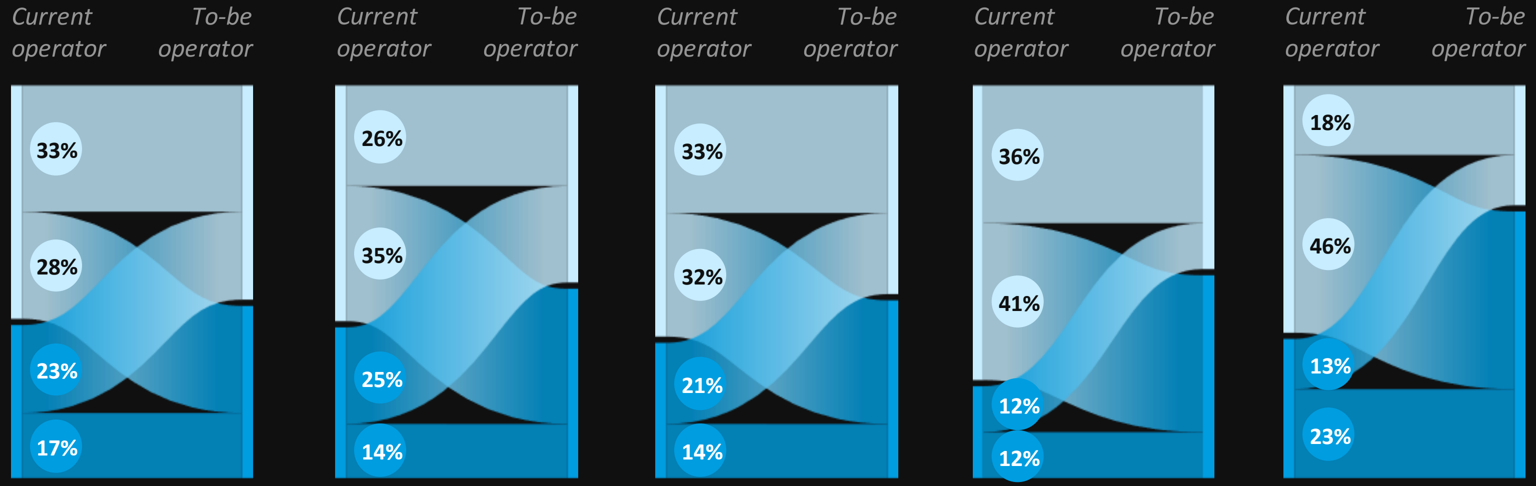
GERMANY: Most resilient traditional operators; balanced exchanges between traditional and low cost operators, in both directions

FRANCE: Progressive erosion of traditional telcos towards low cost brands

UK: Significant migration from traditional to low cost players

SPAIN: Significant migration from traditional to low cost operators – increasingly at par in terms of value proposition

ITALY: Most significant migration from traditional to low cost players

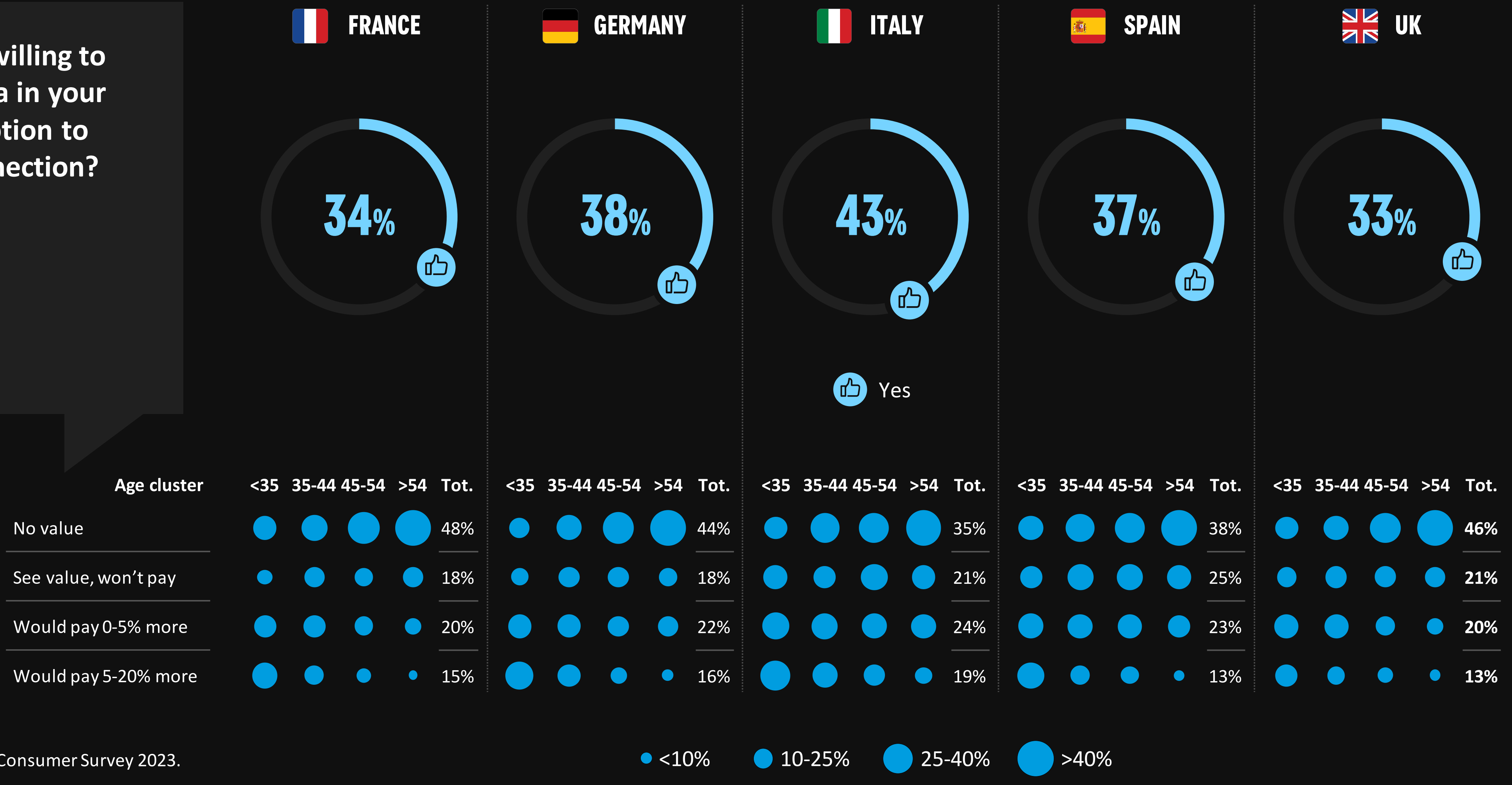


Source: Oliver Wyman Telco Consumer Survey 2023.

ONLY 37% OF EU CONSUMERS ARE WILLING TO PAY EXTRA FOR A 5G CONNECTION - ITALIANS WITH THE HIGHEST WILLINGNESS TO PAY FOR 5G ACROSS AGE SEGMENTS

Would you be willing to pay a little extra in your mobile subscription to enjoy a 5G connection?

% of respondents

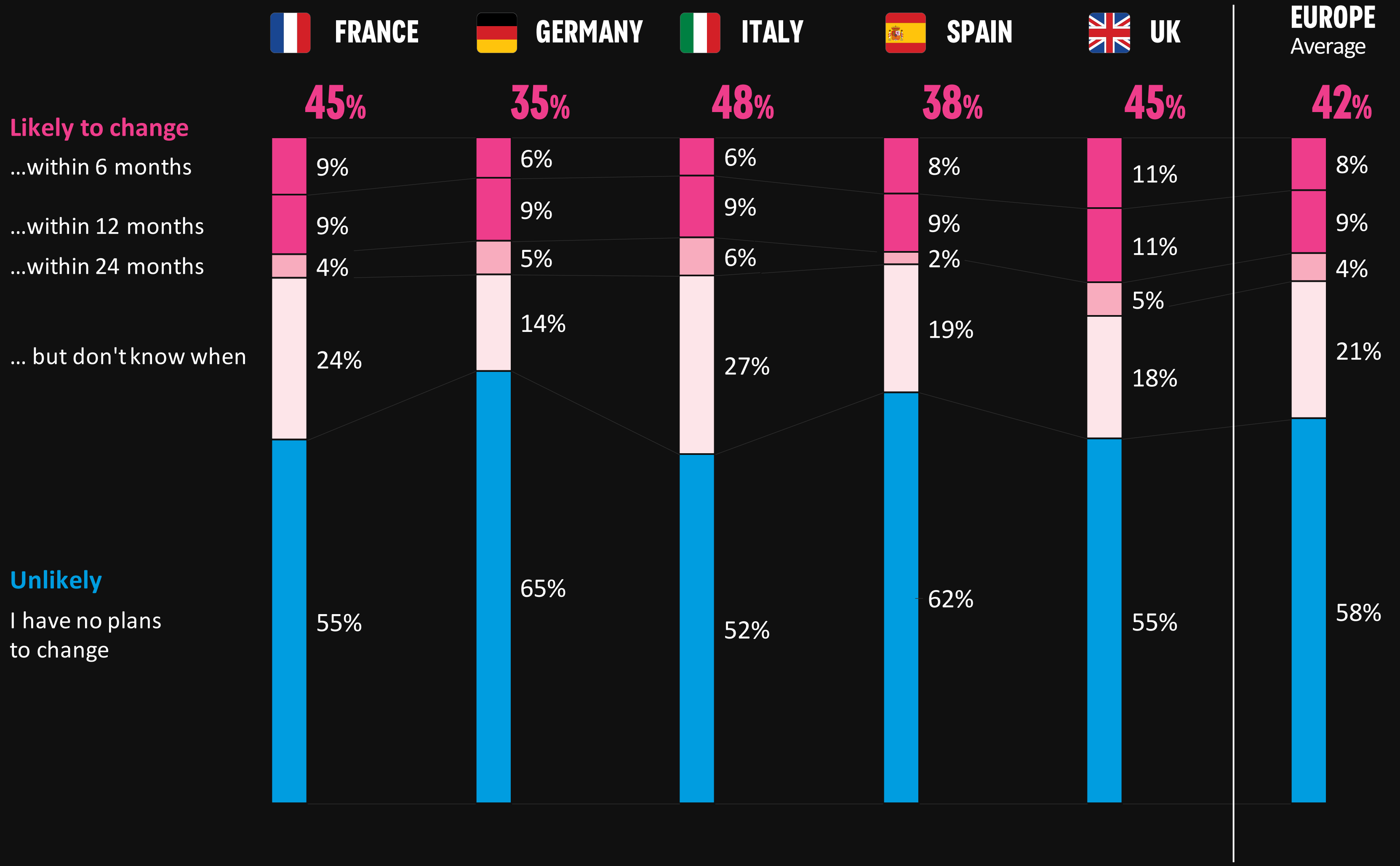


Source: Oliver Wyman Telco Consumer Survey 2023.

9% OF EU CONSUMERS PLAN TO SWITCH THEIR FBB OPERATOR WITHIN THE NEXT 12 MONTHS. IN ITALY AND UK, FBB EXPECTED VOLATILITY IS GREATER THAN MOBILE

Do you expect to switch home broadband provider?

% of respondents



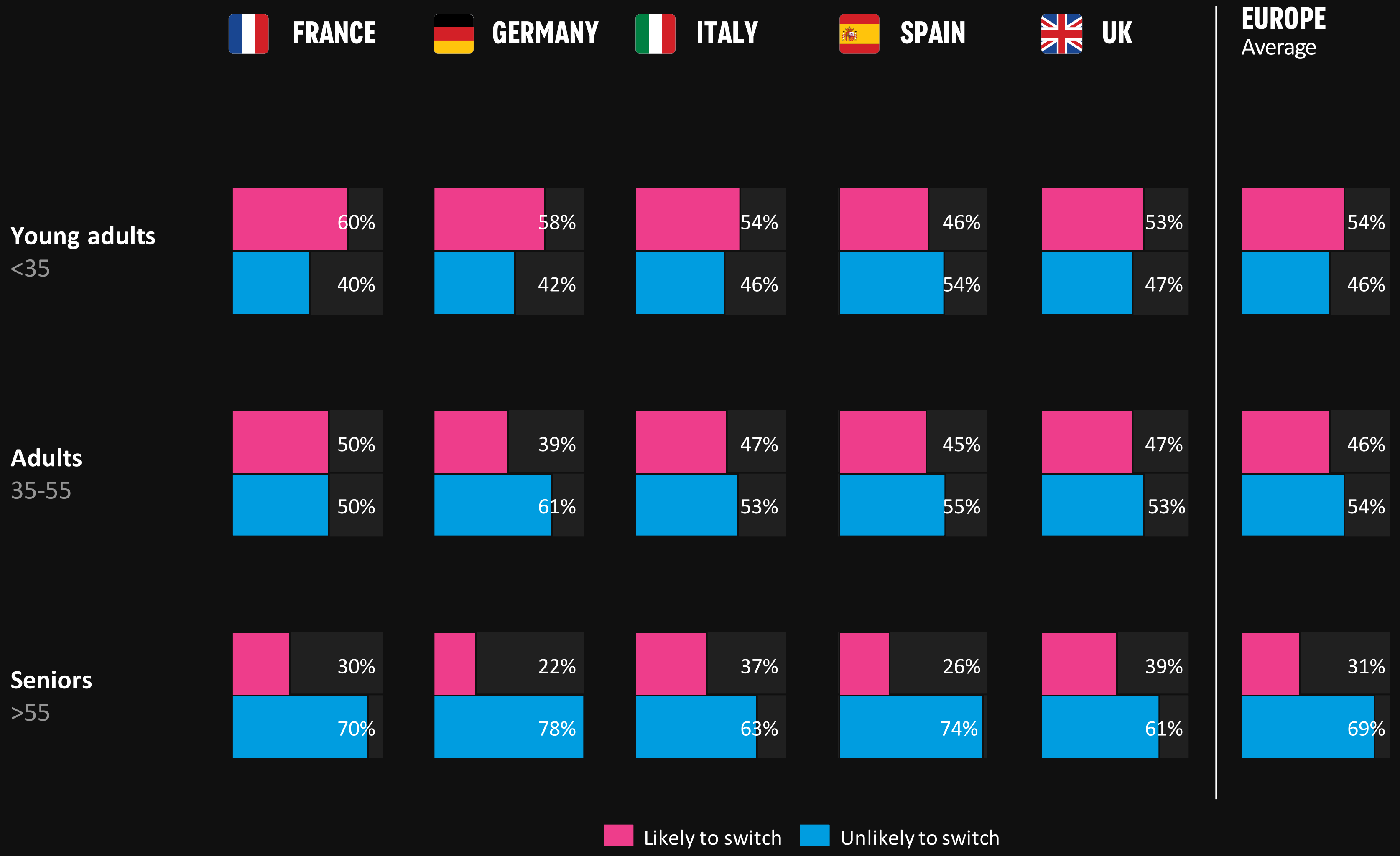
Source: Oliver Wyman Telco Consumer Survey 2023.

Fixed

AS OBSERVED IN MOBILE, YOUNG ADULTS ARE MORE LIKELY TO SWITCH BROADBAND PROVIDER THAN OTHER AGE SEGMENTS

Do you expect to switch home broadband provider?

% of respondents



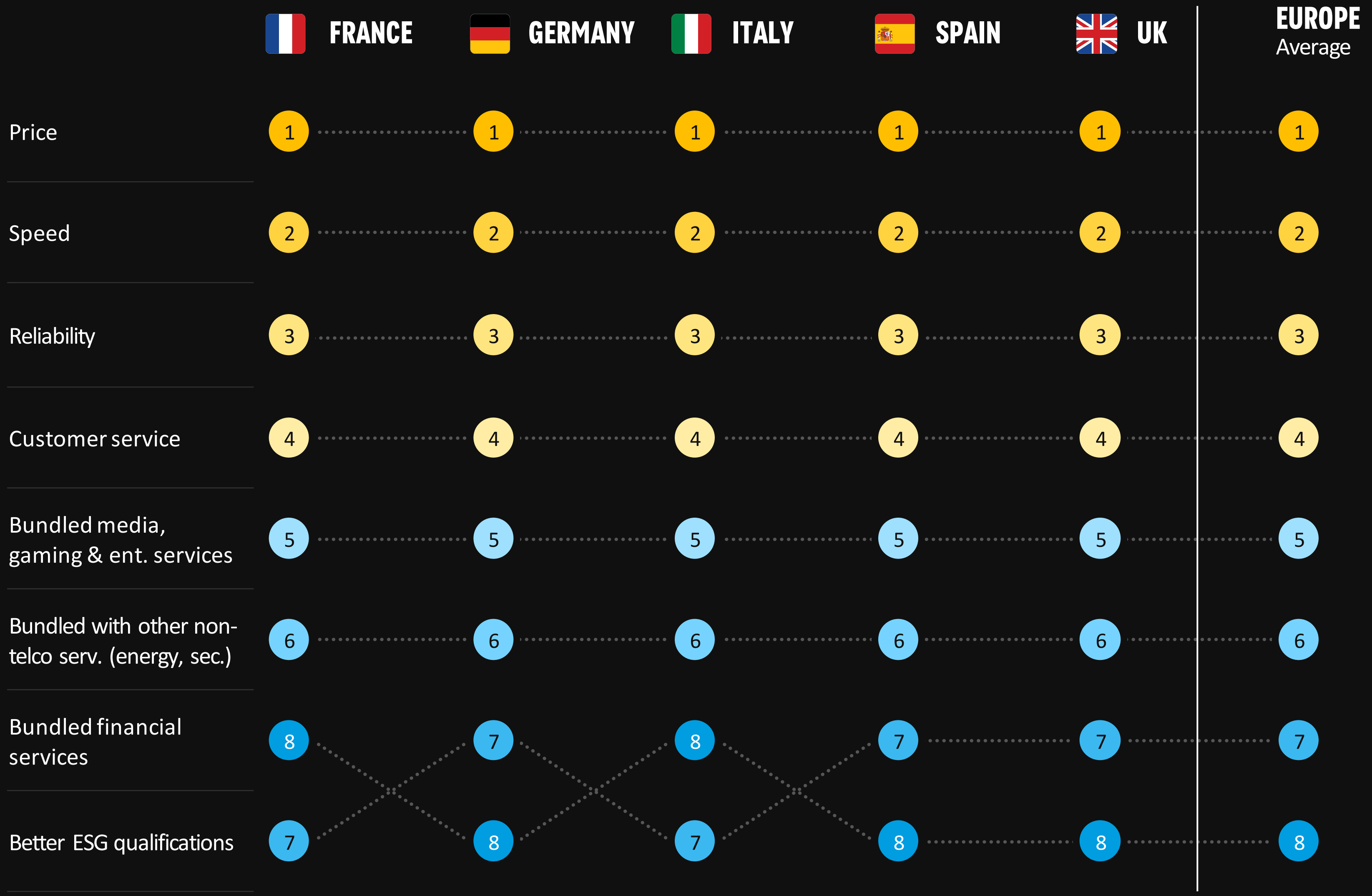
Source: Oliver Wyman Telco Consumer Survey 2023.

Fixed

SIMILAR TO MOBILE, PRICE, SPEED AND RELIABILITY ARE THE KEY DECISION ELEMENTS WHEN SELECTING A NEW BROADBAND PROVIDER

Please rank (1-10) each factor when deciding your next broadband purchase

Average ranking by respondents considering to switch (1=most important, 10=least important)



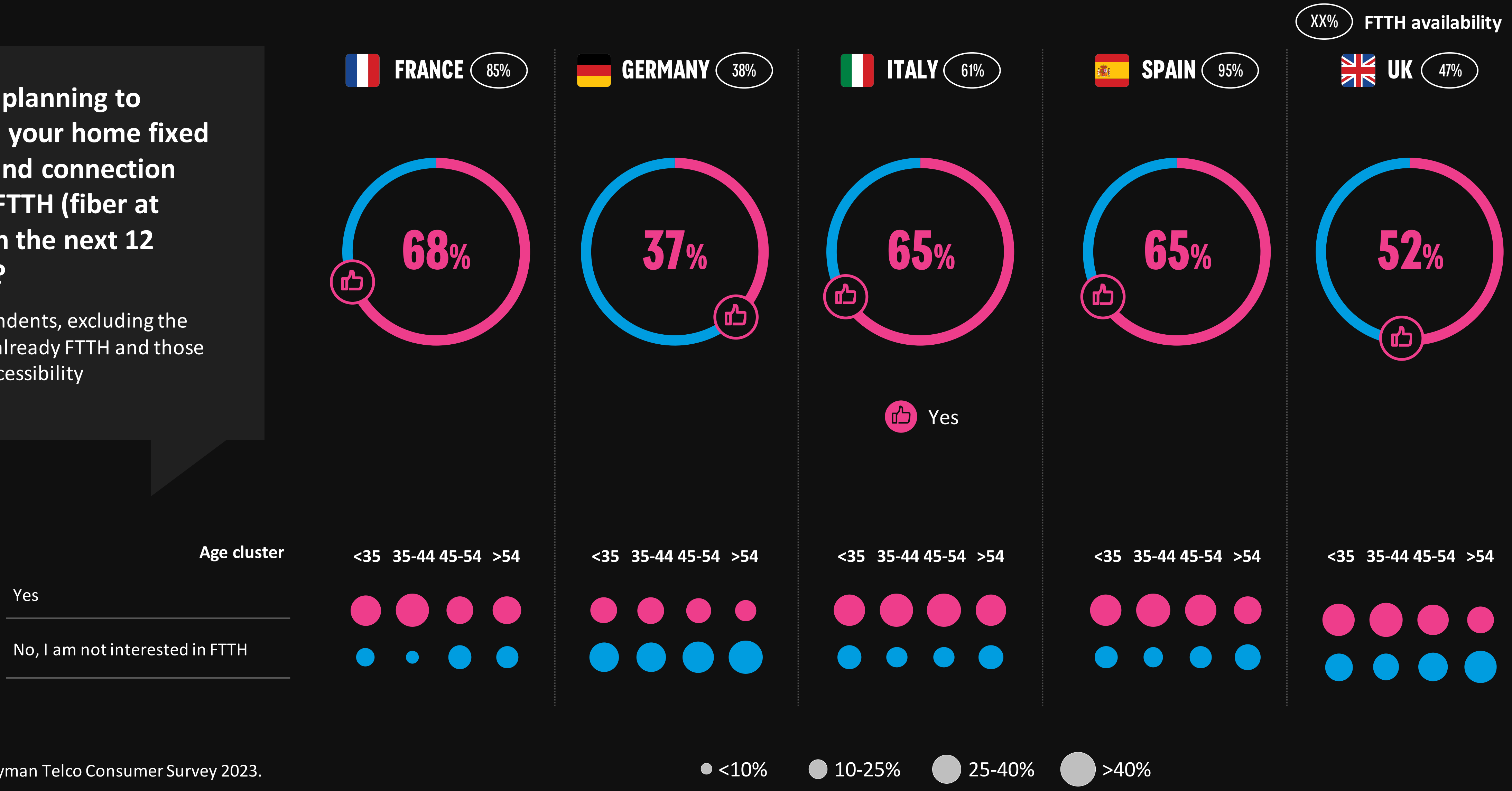
	FRANCE	GERMANY	ITALY	SPAIN	UK	EUROPE Average
Price	1	1	1	1	1	1
Speed	2	2	2	2	2	2
Reliability	3	3	3	3	3	3
Customer service	4	4	4	4	4	4
Bundled media, gaming & ent. services	5	5	5	5	5	5
Bundled with other non-telco serv. (energy, sec.)	6	6	6	6	6	6
Bundled financial services	8	7	8	7	7	7
Better ESG qualifications	7	8	7	8	8	8

Source: Oliver Wyman Telco Consumer Survey 2023.

AS OPPOSED TO 5G, FTTH IS PERCEIVED AS A SUPERIOR TECHNOLOGY ACROSS AGE SEGMENTS. ONLY IN GERMANY, WHERE DEPLOYMENT IS SLOWER, CONSUMERS DECLARE A LOWER INTEREST

Are you planning to upgrade your home fixed broadband connection plan to FTTH (fiber at home) in the next 12 months?

% of respondents, excluding the ones with already FTTH and those without accessibility



Source: Oliver Wyman Telco Consumer Survey 2023.

CONFIDENTIALITY

OliverWyman

A business of Marsh McLennan