OliverWyman

GLOBAL CONSUMER SURVEY 2023

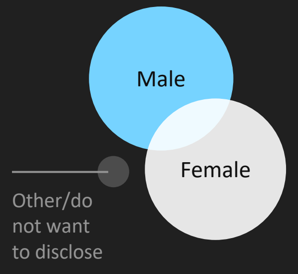
Telecom Operators: Mobile and Fixed Connectivity

July 2023

QUALIFICATIONS, ASSUMPTIONS, AND LIMITING CONDITIONS

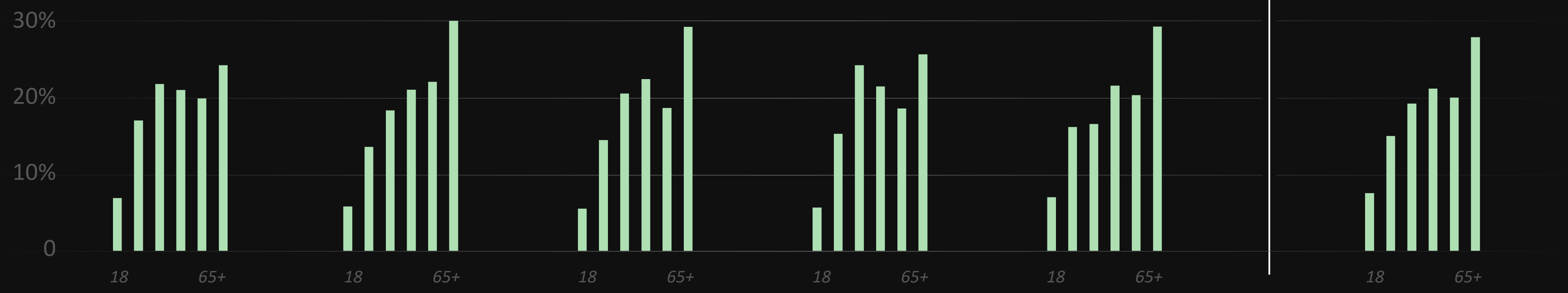
SAMPLE DETAILS

Sex distribution



	France	Germany	Italy	Spain	UK	Europe
Total	1,006	2,022	1,010	1,010	2,046	7,094
Male	521	1,062	517	513	1,042	3,655
Female	485	957	493	497	1,000	3432
Other/do not want to disclose		3			4	7

Age distribution (%)



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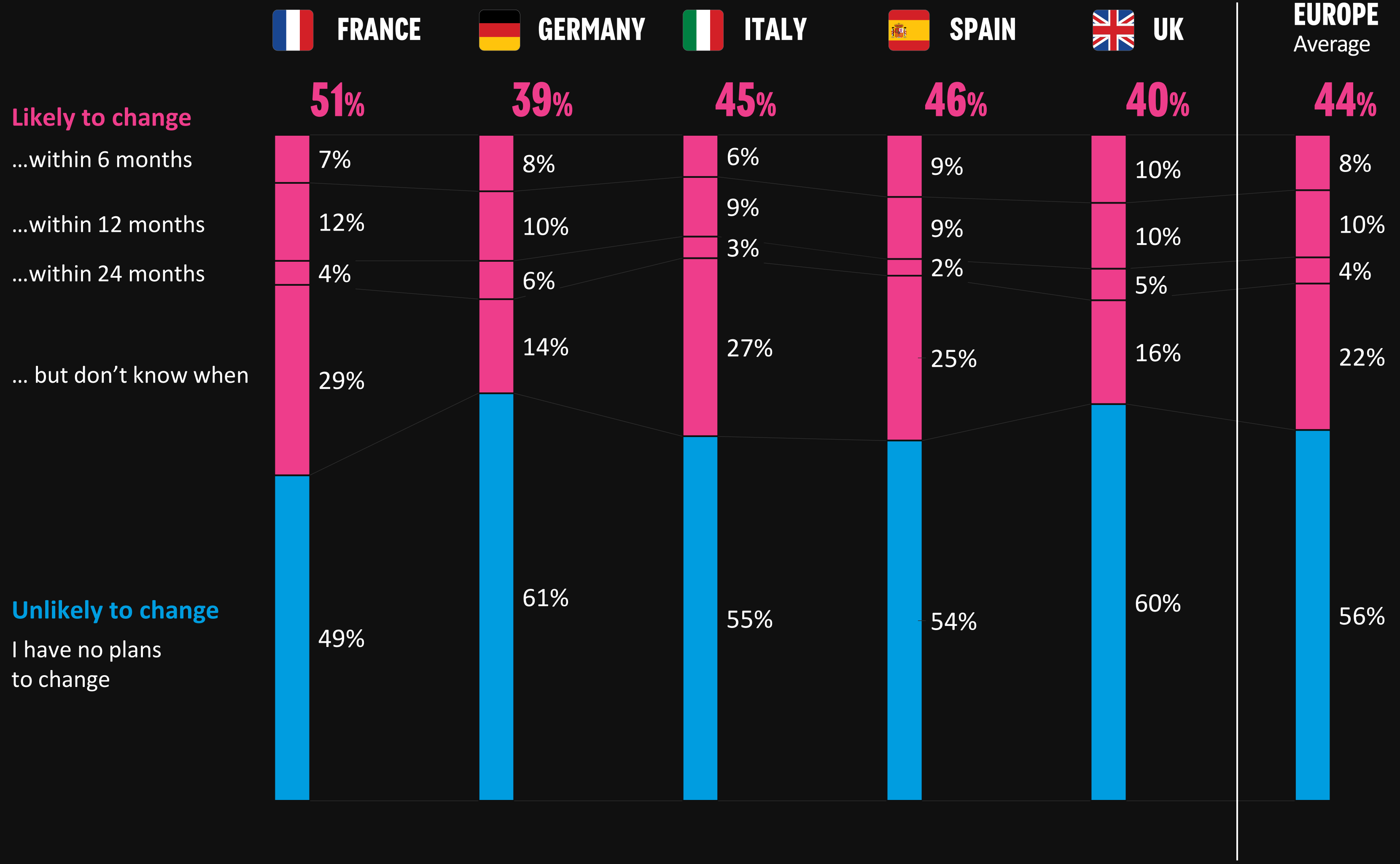
TELECOM OPERATORS: MOBILE AND FIXED CONNECTIVITY

44% OF EU CONSUMERS PLAN TO SWITCH THEIR MOBILE OPERATOR. FRANCE ACCOUNTS FOR THE HIGHEST CHURN INTENTION IN EU WHILE GERMANY FORESEES MORE STABLE TRADING DYNAMICS

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)

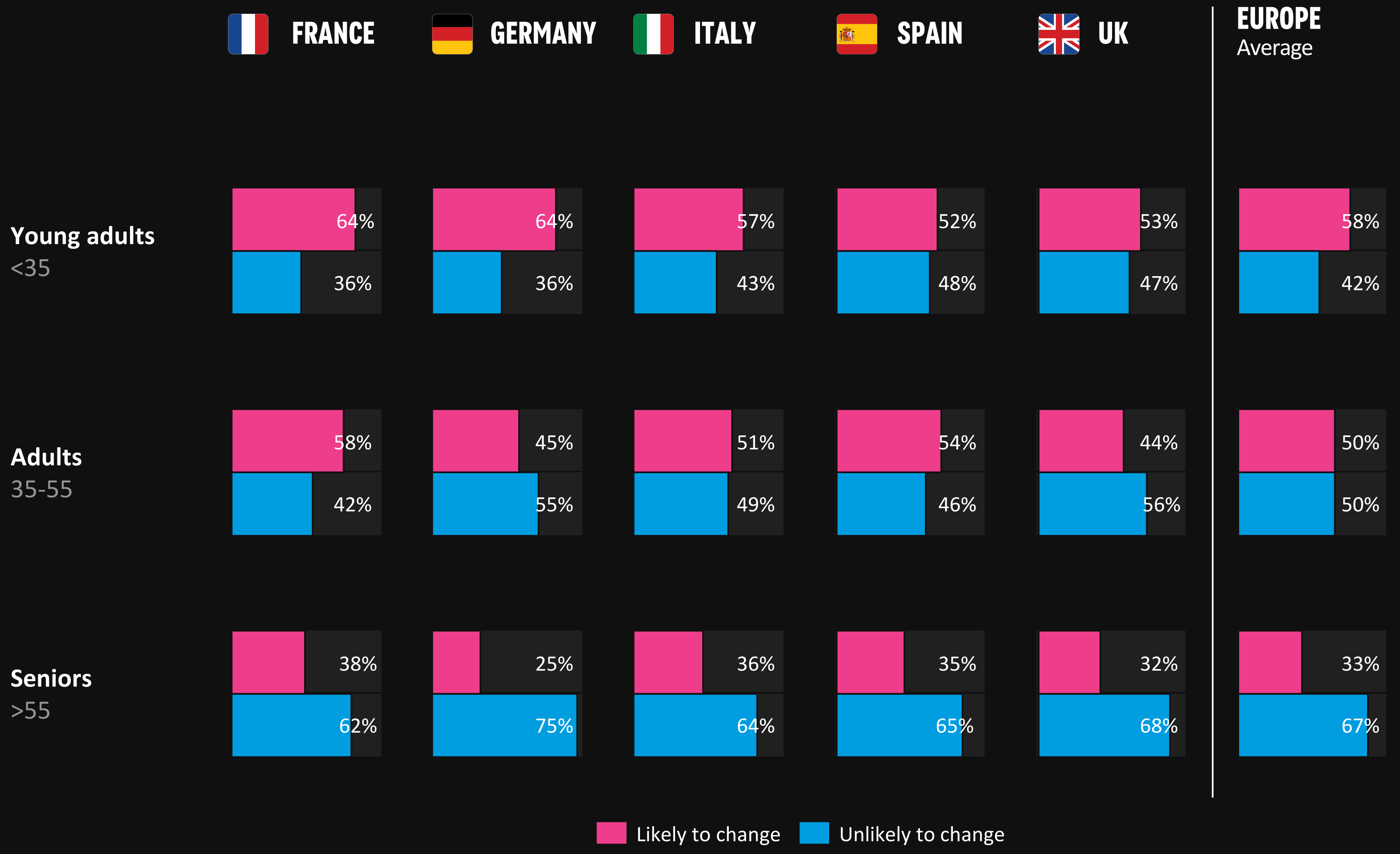
	FRANCE	GERMANY	ITALY	SPAIN	UK	EUROPE Average
Price	1	1	1	1	1	1
Network performance/speed	2	3	3	2	3	2
Data allowance	3	2	4	3	2	3
Customer service	4	5	5	4	4	4
Regional coverage	5	4	2	5	5	5
Handset included	6	6	6	6	6	6
Bundled media, gaming & ent. services	8	8	8	7	7	7
Bundled with other non-telco serv.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

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

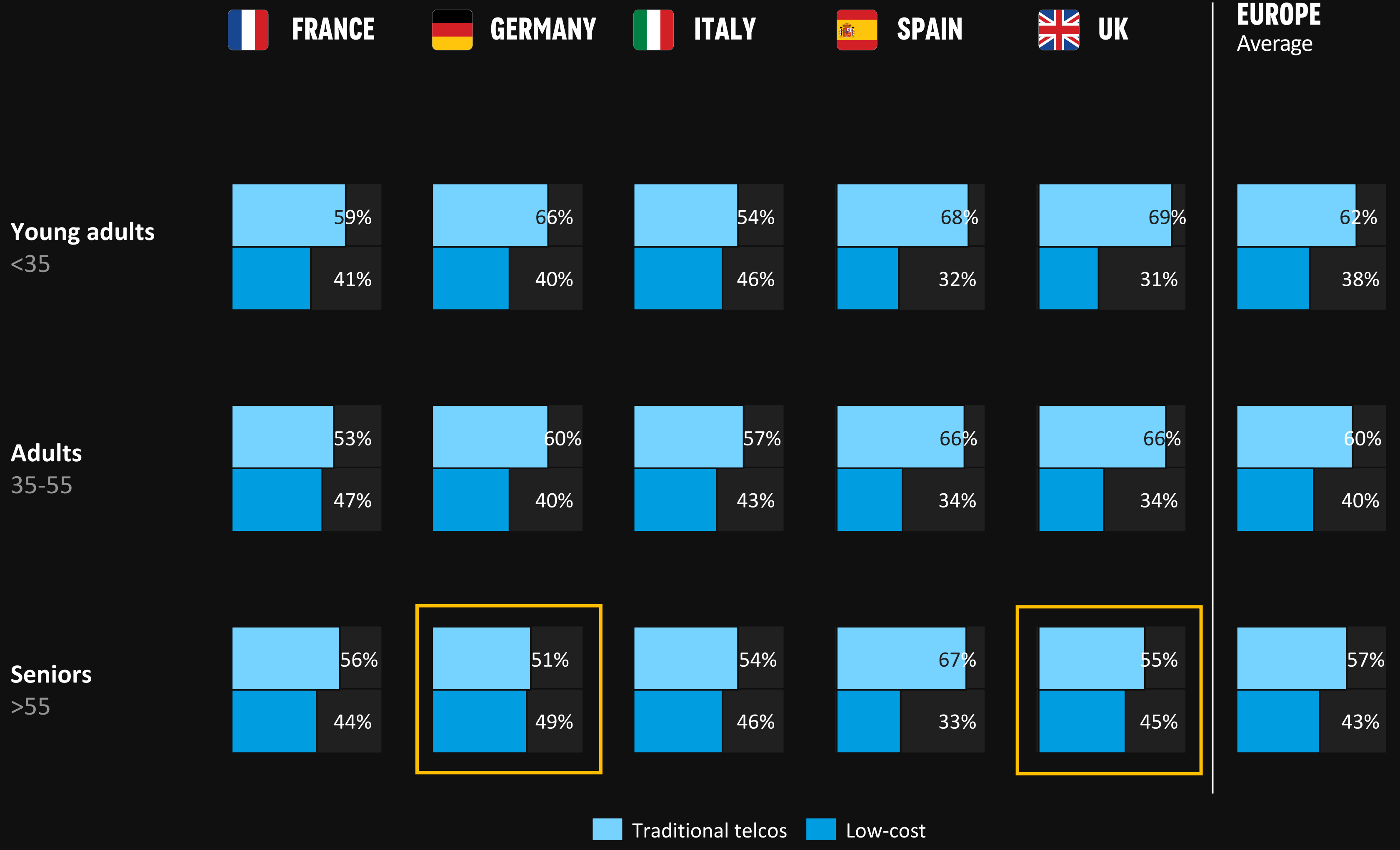


Source: Oliver Wyman Telco Consumer Survey 2023.

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

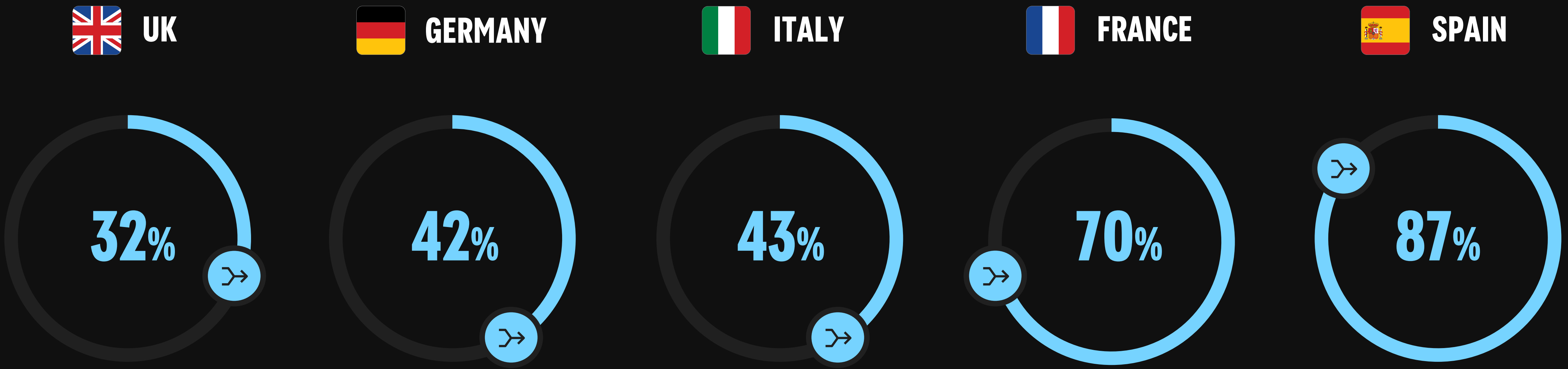
% of respondents



Source: Oliver Wyman Telco Consumer Survey 2023.

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

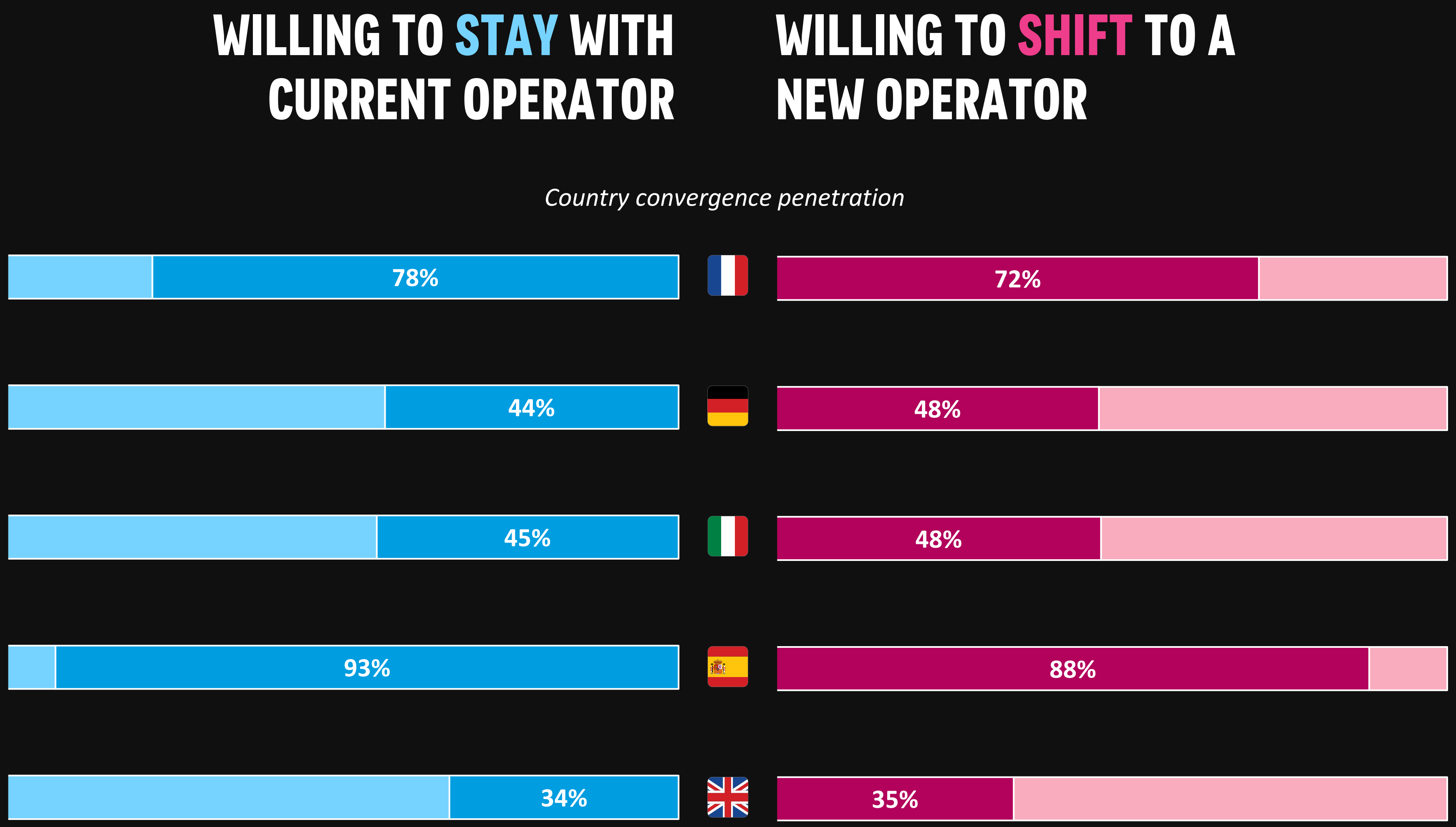


Source: Oliver Wyman Telco Consumer Survey 2023.

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?

FMC penetration by country for respondents stating a preference

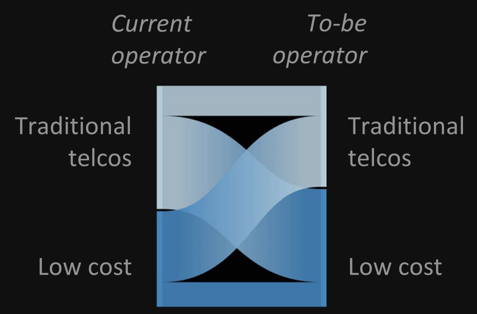


Source: Oliver Wyman Telco Consumer Survey 2023.

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

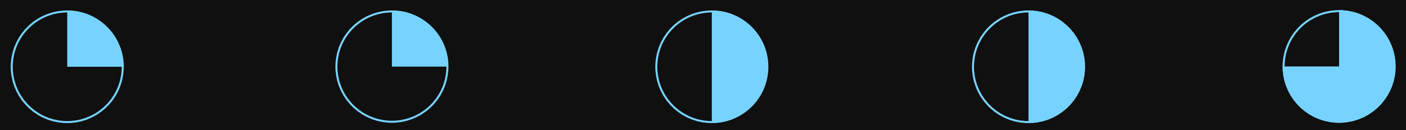
Which mobile provider are you thinking about moving to?

% of respondents considering to switch

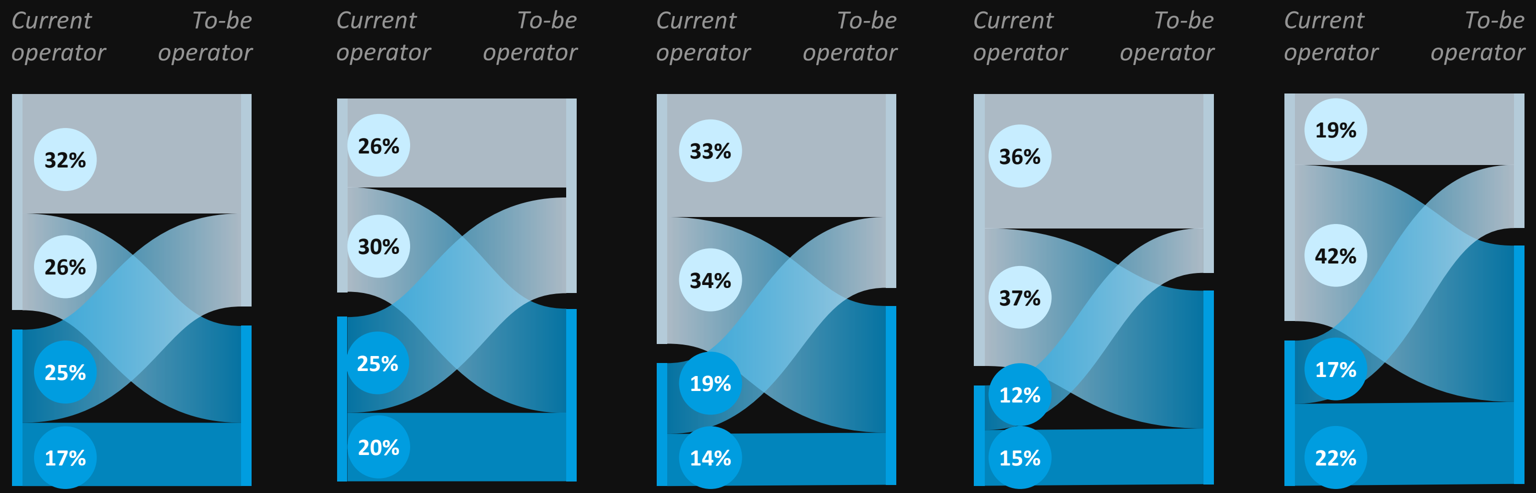


GERMANY | FRANCE | UK | SPAIN | ITALY

Low-cost additional attractiveness vs. traditional telco



GERMANY	FRANCE	UK	SPAIN	ITALY
Most resilient traditional operators; balanced exchanges between traditional and low cost operators, in both directions	Progressive erosion of traditional telcos towards low cost brands	Significant migration from traditional to low cost players	Significant migration from traditional to low cost operators – increasingly at par in terms of value proposition	Most significant migration from traditional to low cost players

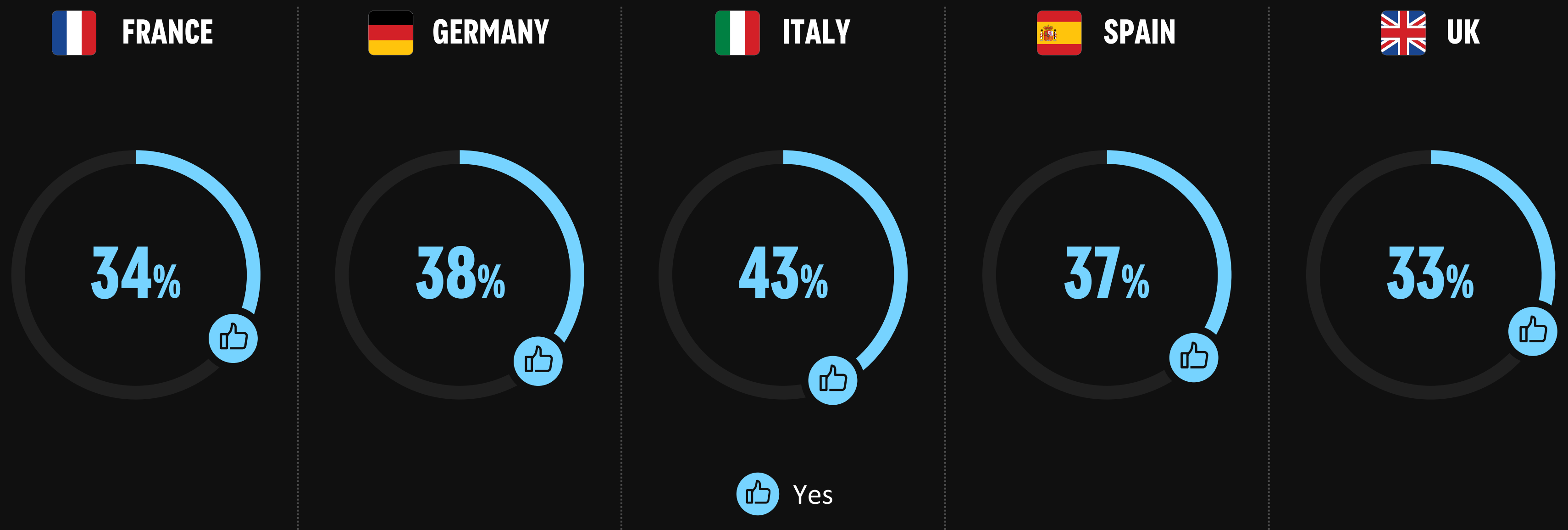


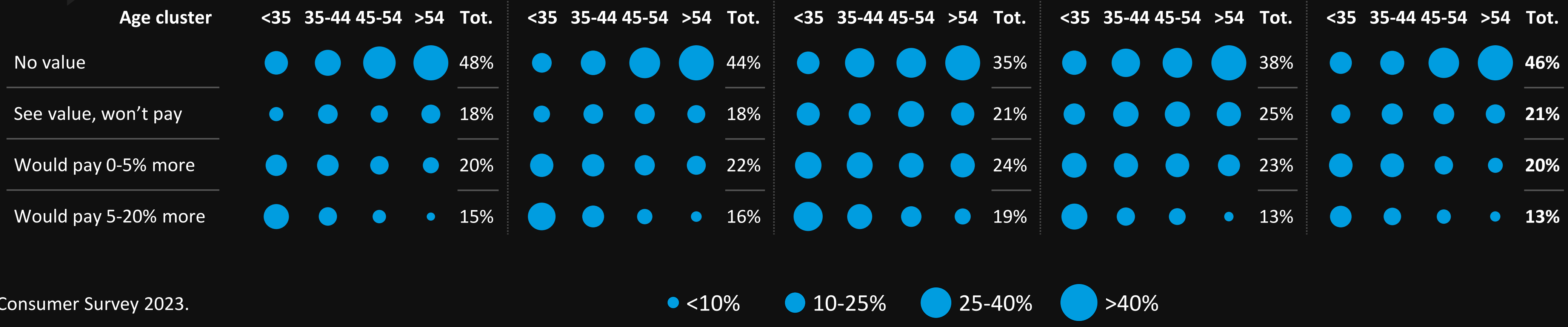
Source: Oliver Wyman Telco Consumer Survey 2023.

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





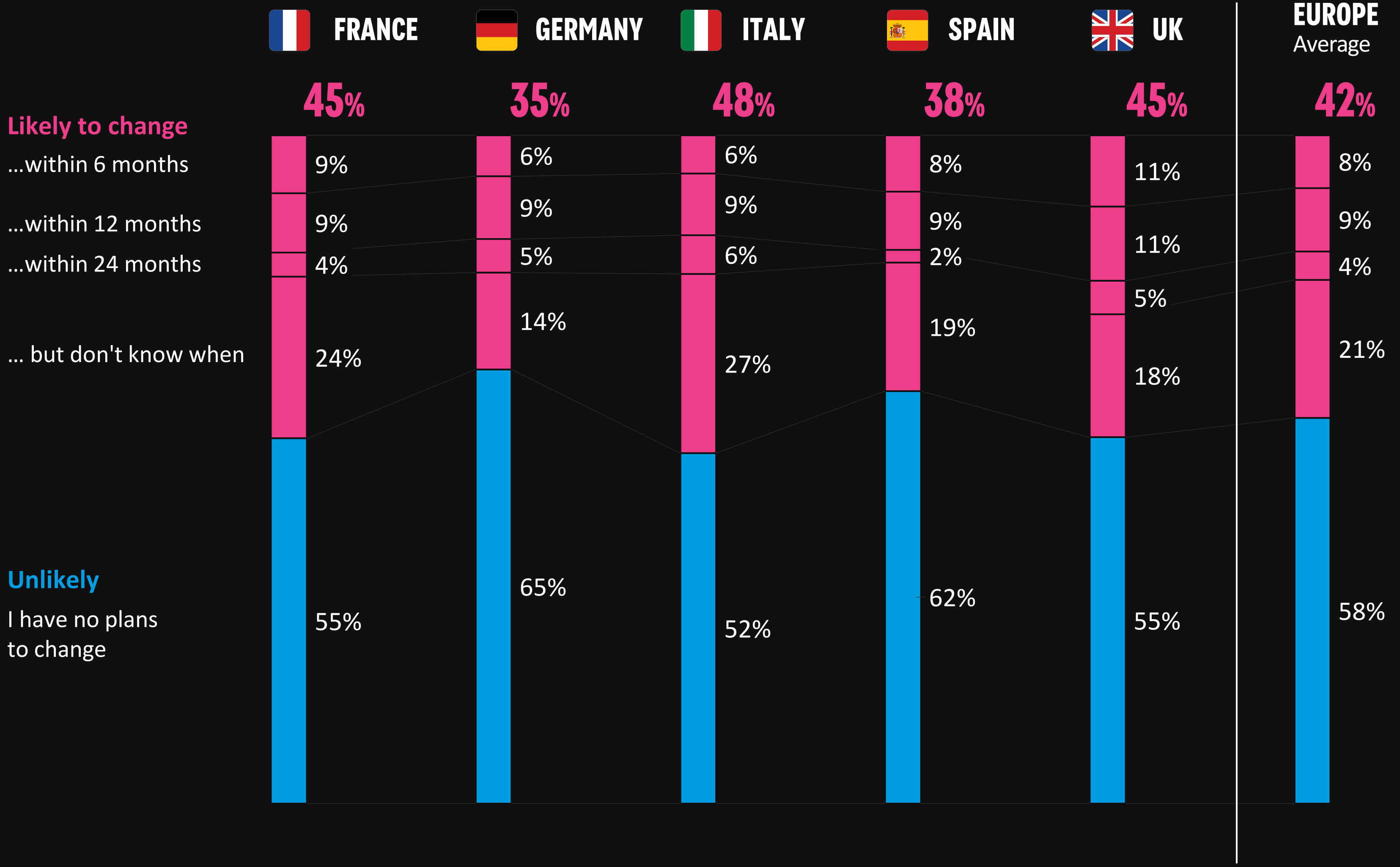
Age cluster	France Tot.	Germany Tot.	Italy Tot.	Spain Tot.	UK Tot.
No value	48%	44%	35%	38%	**46%**
See value, won't pay	18%	18%	21%	25%	**21%**
Would pay 0-5% more	20%	22%	24%	23%	**20%**
Would pay 5-20% more	15%	16%	19%	13%	**13%**

Source: Oliver Wyman Telco Consumer Survey 2023.

42% OF EU CONSUMERS PLAN TO SWITCH THEIR FBB OPERATOR. 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.

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)

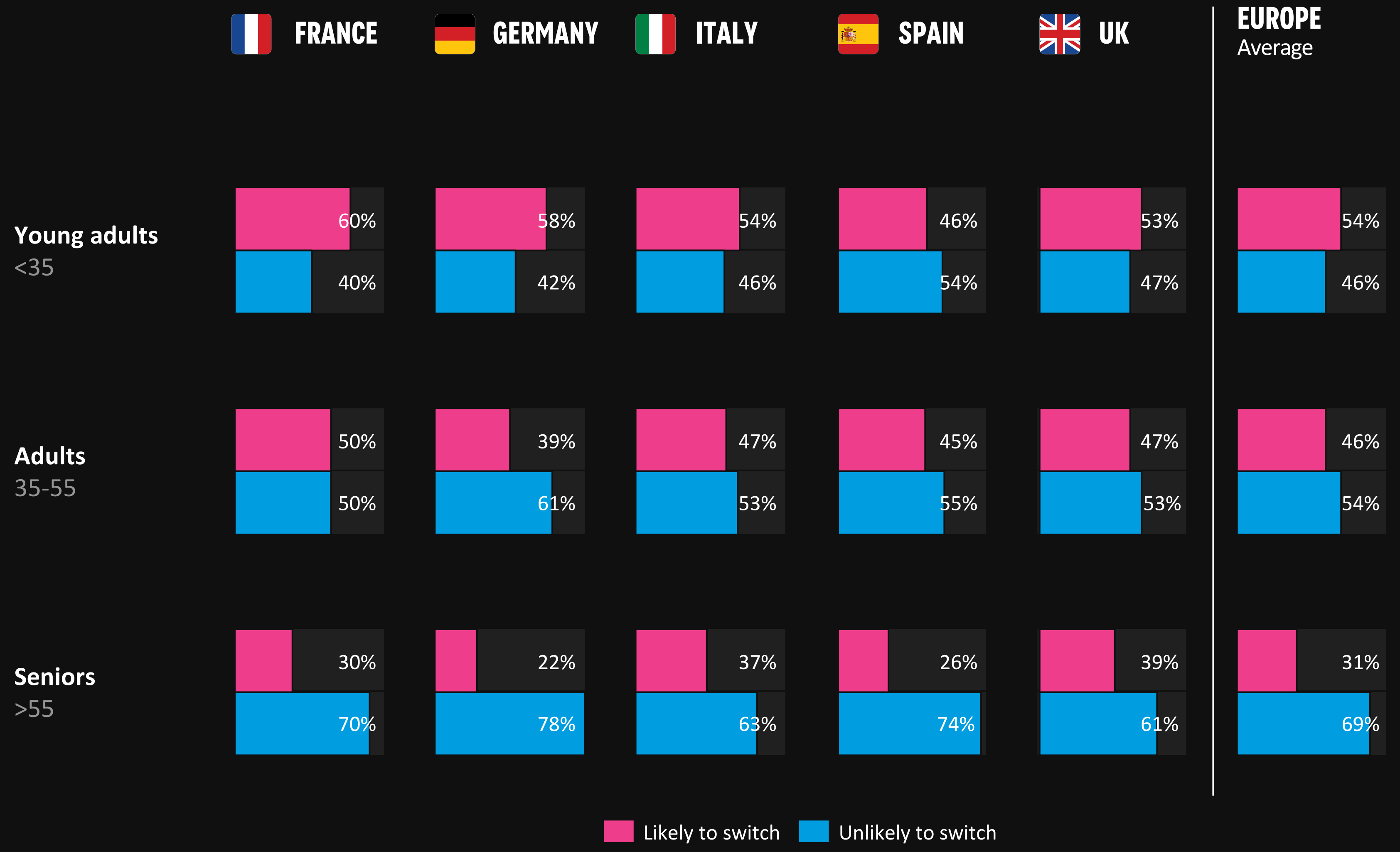
	FRANCE	GERMANY	ITALY	SPAIN	UK	EUROPE Average
Price	1	1	1	1	1	1
Speed	2	2	2	2	2	2
Reliability	3	3	3	3	3	3
Customer service	4	4	4	4	4	4
Bundled media, gaming & ent. services	5	5	5	5	5	5
Bundled with other non-telco serv. (energy, sec.)	6	6	6	6	6	6
Bundled financial services	8	7	8	7	7	7
Better ESG qualifications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

Source: Oliver Wyman Telco Consumer Survey 2023.

AS 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

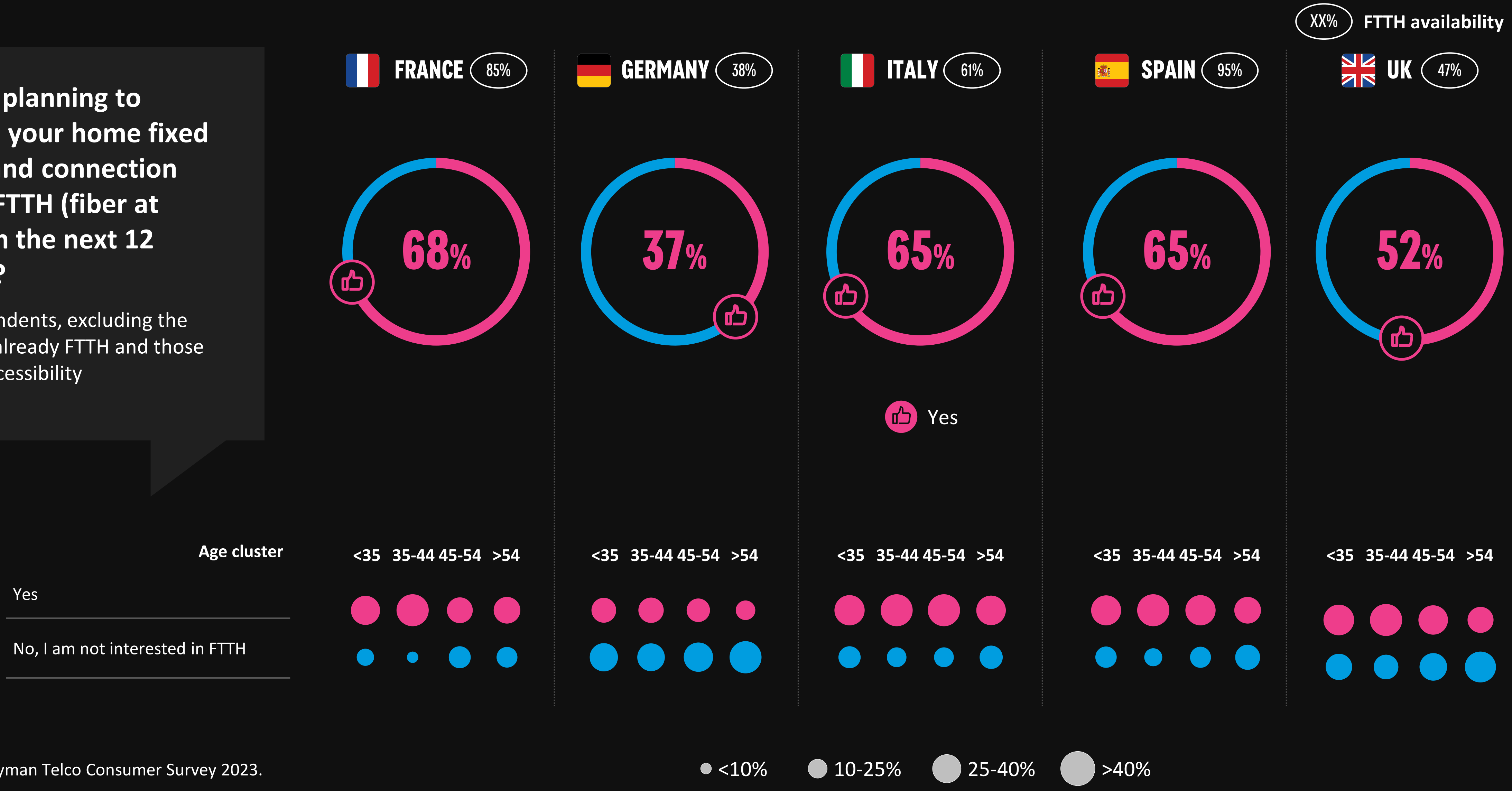


Source: Oliver Wyman Telco Consumer Survey 2023.

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.

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