National Media and Infocommunications Authority • Hungary

Electronic Communication Services Usage by Households and Individuals 2016

Research summary for the National Media and Infocommunications Authority (Hungarian abbreviation: NMHH)

Ariosz Ltd.

SURVEY METHODOLOGY

A report for NMHH, the Hungarian communications regulator

Service provider: Ariosz Ltd.

Fieldwork period: 05.10.2016 – 02.11.2016

Method: Face-to-face interviews with standardised questionnaire

Sample size: 2020 households and 2020 individuals

Average length of interviews: 48 minutes

Symbols:

data referring to households

data referring to individuals

Weighting:

In case of households: by size and age distribution of the household, type of settlement, region, and area of incumbent electronic communication service provider.

In case of individuals: by age, gender, level of education, size of household, type of settlement, region, and area of incumbent electronic communication service provider.

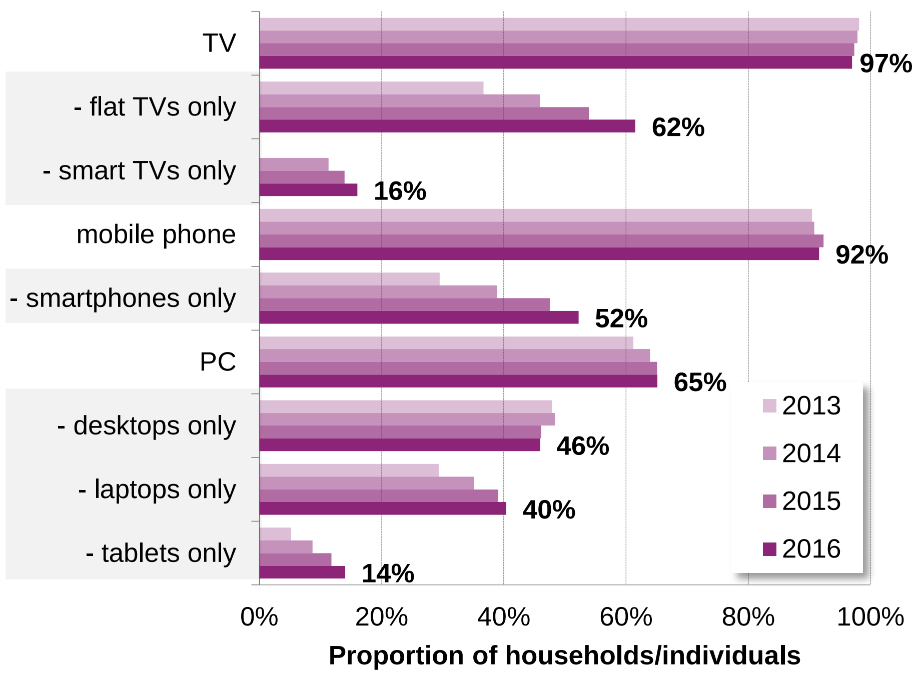
Applied weighting method: RIM weighting (multidimensional iterative factor weighting).

Weighting is based on the national census of 2011.

ICT DEVICES

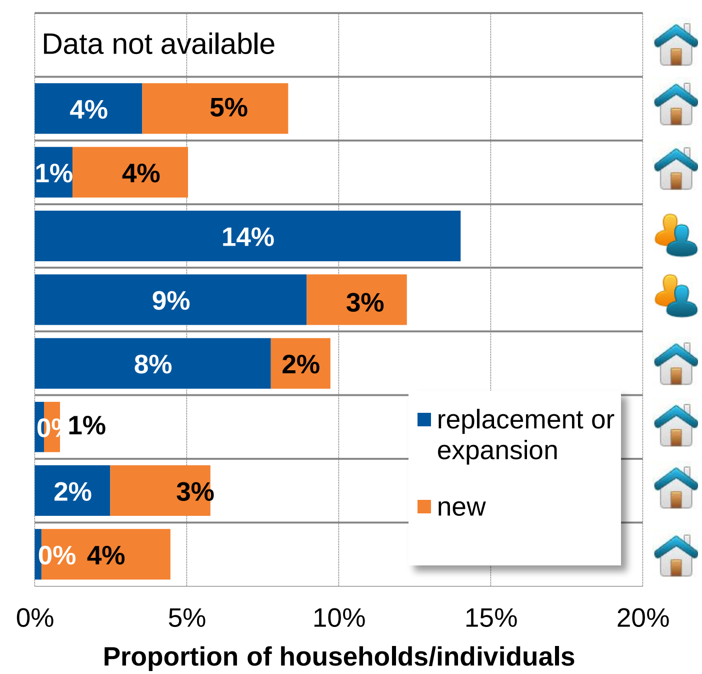
10% of households (i.e. nearly 400 thousand) plan to buy a PC in the coming year. 2016 is the sixth year in a row when more households plan to buy laptops than those who want desktops. The proportion of households having a laptop increased from 21% in 2011 to 40% in 2016. The highest increase rates in take-up can be noticed in case of flat TVs and smartphones. 14% of households have a tablet and it may grow with another 4 percentage points in the coming year according to purchasing plans

Take-up



Basis: all households and individuals aged 14+, respectively (N=4.106 million households, 8.59 million individuals, n=2020)

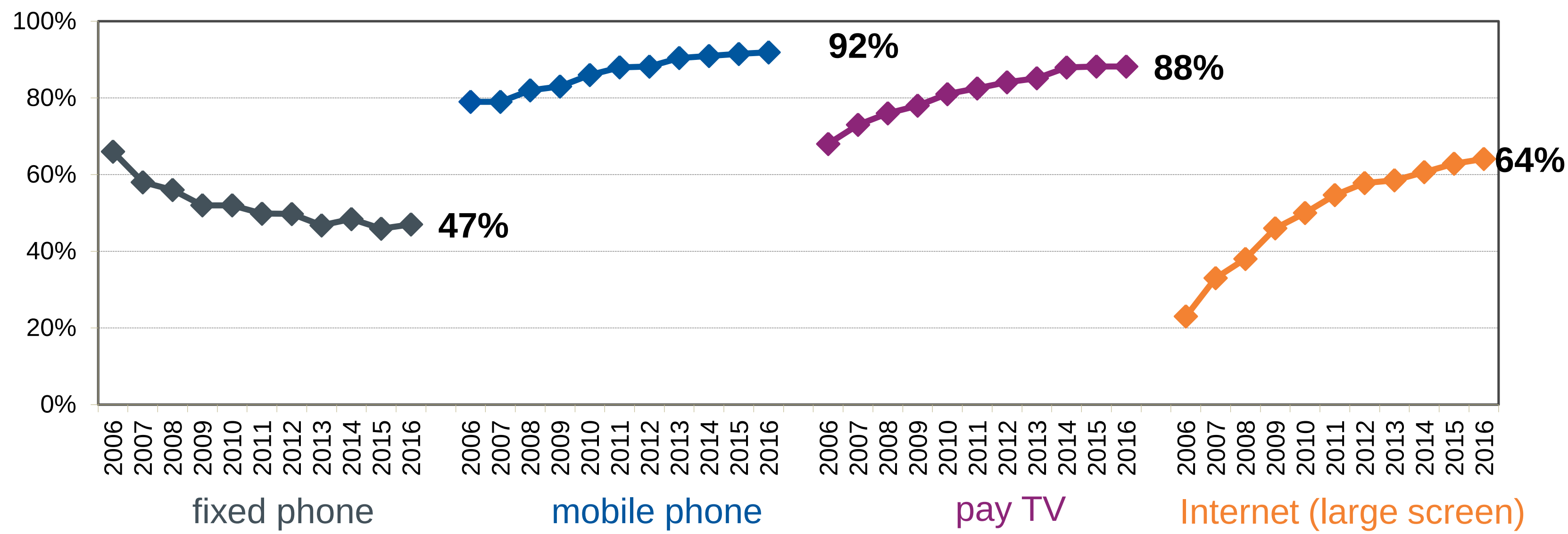
Plans to purchase



Basis: all households and individuals aged 14+, respectively (N=4.106 million households, 8.59 million individuals, n=2020)

HOUSEHOLDS WITH ACCESS TO ELECTRONIC COMMUNICATION SERVICES

The increase in penetration of mobile phones and pay TV services has slowed down while the drop in the number of subscriptions for fixed phone has stopped. Since 2015, penetration of the Internet in the households has not changed significantly, the increase in penetration has slowed down.

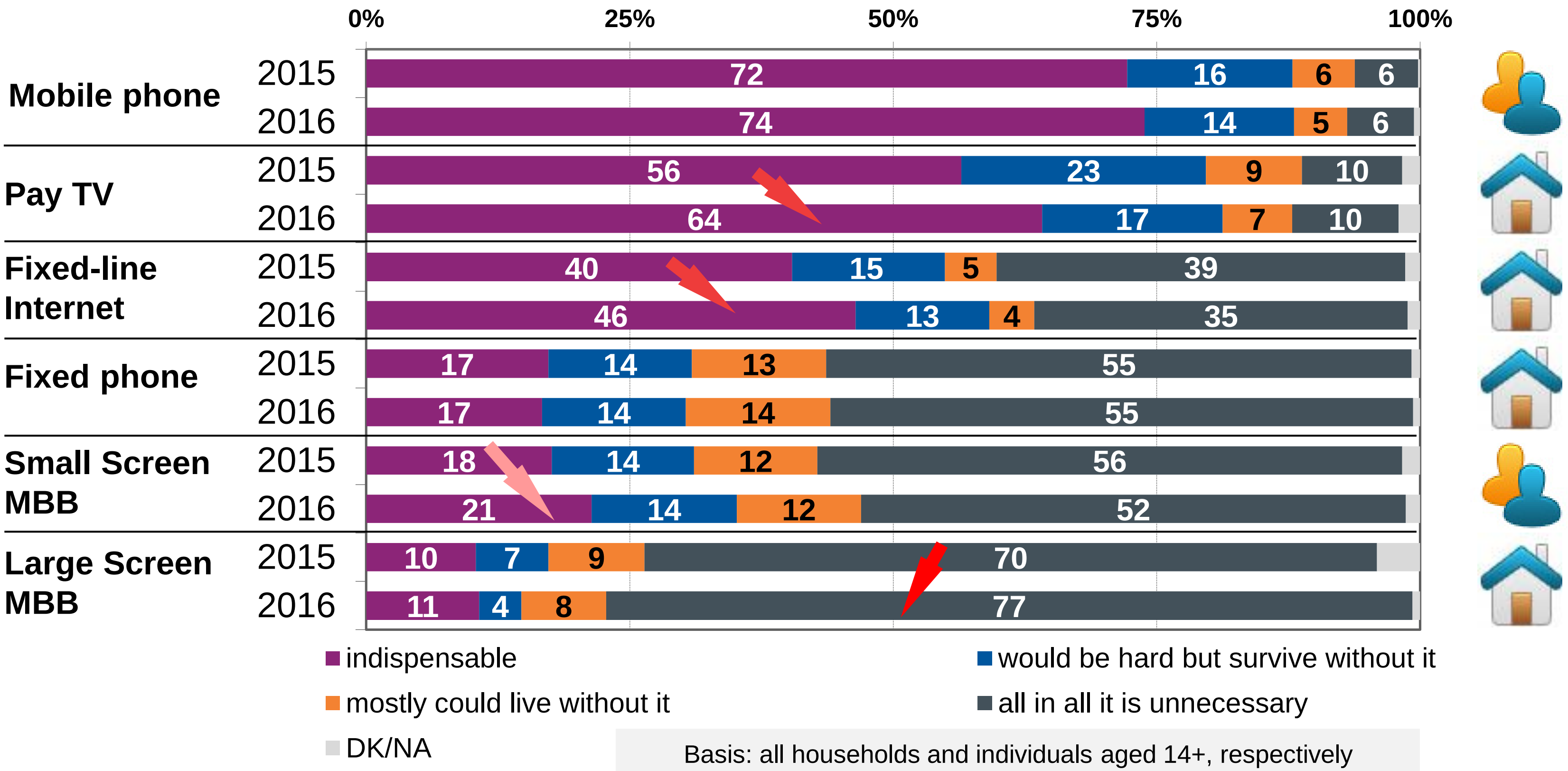


Basis: all households (N=4.106 million households, n=2020)

Number of households, million	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
fixed phone	2.66	2.33	2.24	2.10	2.08	1.99	1.99	1.92	1.99	1.88	1.93
mobile phone	3.15	3.17	3.17	3.33	3.44	3.52	3.53	3.71	3.73	3.76	3.78
pay TV	2.63	2.82	2.94	3.11	3.23	3.30	3.37	3.50	3.61	3.62	3.62
Internet	0.93	1.33	1.49	1.86	2.00	2.19	2.31	2.40	2.49	2.58	2.63

DEMAND FOR ELECTRONIC COMMUNICATION SERVICES

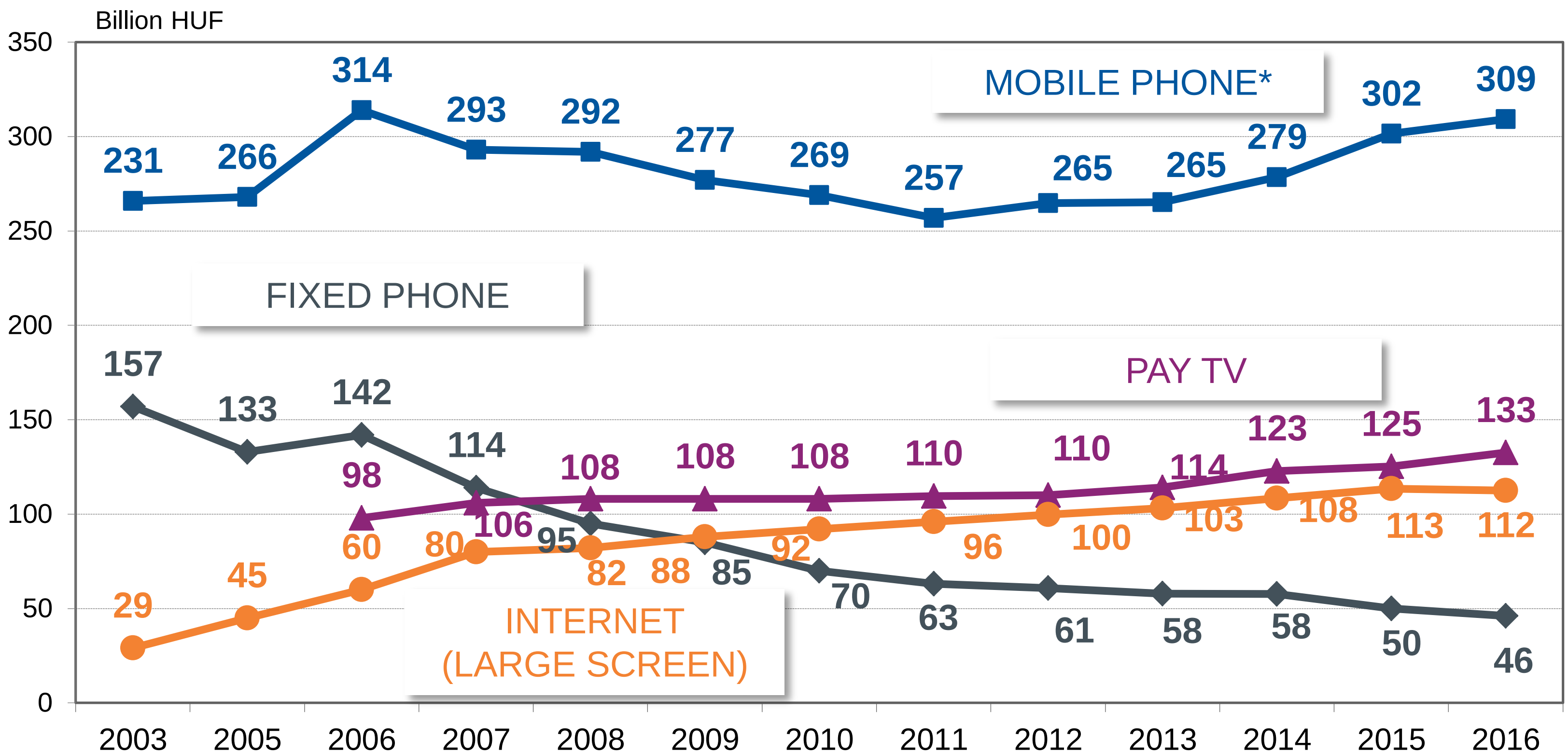
Mobile phone is still the most important electronic communication service for the population – 74% remain of the view that mobile phone is essential, 14% think they could hardly but survive without it. Since 2015, demand for TV, fixed-line Internet, and small screen MBB could even grow.
Small screen MBB is the most important electronic communication service for the younger generations: it is indispensable for nearly half of people aged 14-29 (while this proportion was just one third a year before). In contrast, it seems that large screen MBB is losing its attractivity.



Basis: all households and individuals aged 14+, respectively
(N=4.106 million households and 8.59 million individuals; n=2020)

SIZE OF THE ELECTRONIC COMMUNICATIONS MARKET (2003-2016)

In 2016, the size of the fixed telephony market has decreased while mobile telephony and pay TV markets have slightly increased. Large screen Internet spending has stopped growing.



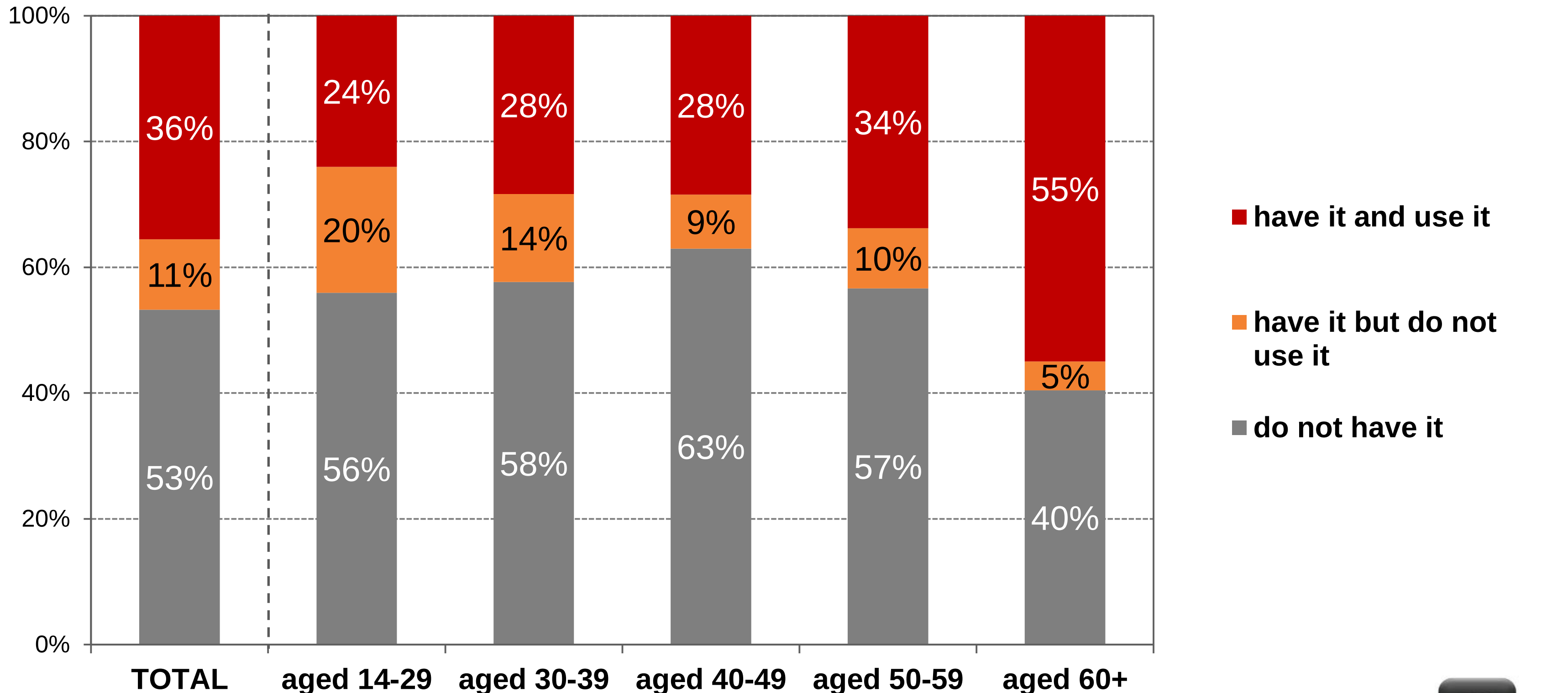
Basis: all households (N=4.106 million households, n=2020)

*Average of monthly spending of households on mobile services, i.e. when consumers could not separate their spending on voice and small screen Internet services, these are added together

Size of the residential market was 600 billion HUF in 2016. (2014: 568, 2015: 590)

SUBSCRIPTION AND USAGE OF FIXED PHONE BY AGE GROUPS

53% of the population aged 14+ live in a household without fixed phone service and another 11% subscribe for this service but do not use it. While nearly half (45%) of people under 30 have fixed phone but never use it, only 17% of subscribers aged 60+ do not use their fixed phone service.



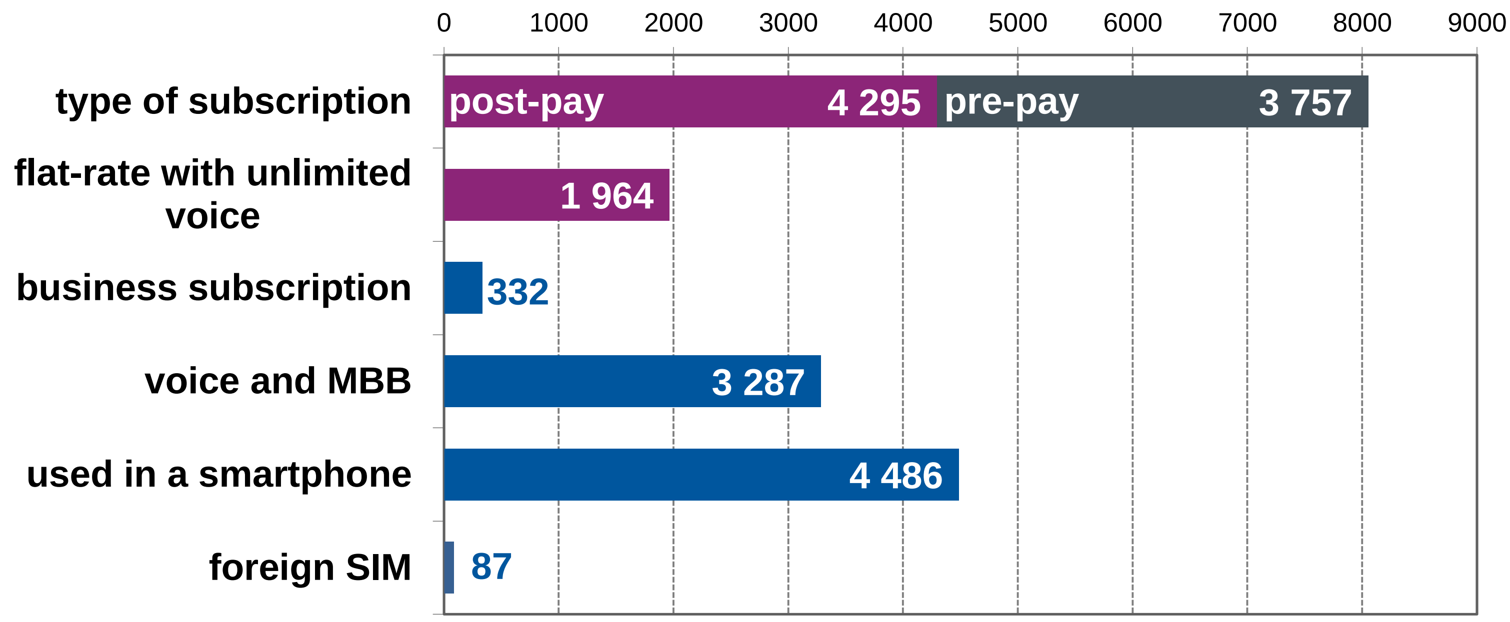
Basis: all individuals aged 14+ (N=8.59 million; n=2020)

SUBSCRIPTION FOR MOBILE PHONE

2 million out of the 4.3 million SIMs with post-pay plan are subscribed for a flat-rate package with unlimited voice* services. Both voice and MBB services are activated on about 3.3 million SIMs while 4.5 million cards are used in smartphones. There are 332 thousand business subscriptions in the households.There are only about 90 thousand foreign SIMs in Hungary.

*Respondents might have mistakenly mentioned here plans with unlimited voice services only in the same network as well.

Number of SIMs for voice service ('000)

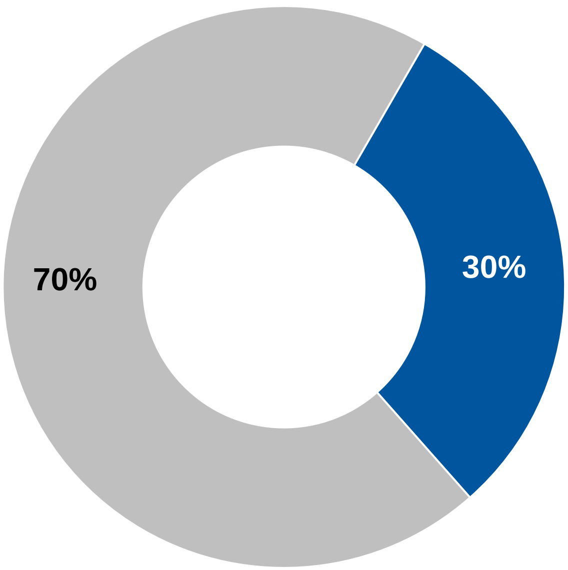


Basis: all subscriptions for mobile phone (N=8.05 million)

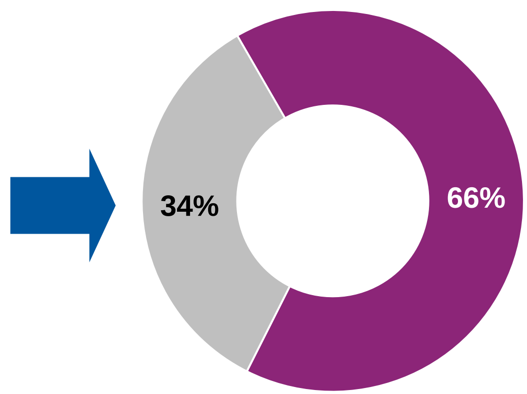
ROAMING ABROAD

30% of mobile phone users (i.e. 2.4 million people) have been abroad and two thirds of them (i.e. 1.6 million) used their phone there in the past 3 years.
The majority made phone calls or sent SMSs, but many accessed the Internet as well: 44% through wifi and 30% via MBB.

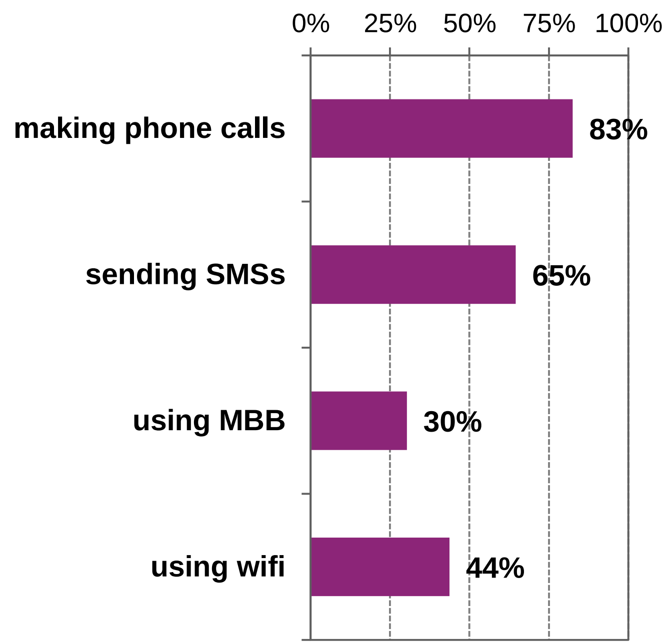
Have you been abroad in the last 3 years?



Have you used your mobile phone abroad?



What did you use it for?



Basis: individuals aged 14+ using mobile phone (N=7.87 million; n=1767)

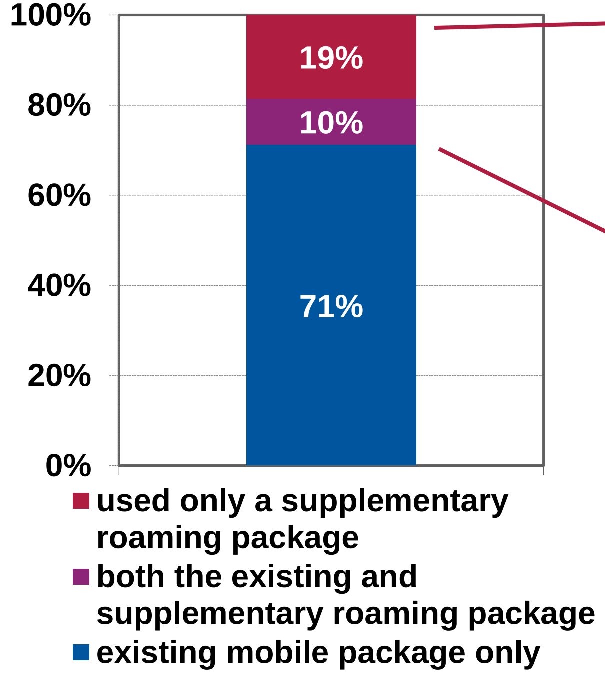
Basis: individuals aged 14+ using mobile phone and spending time abroad (N=2.37 million; n=457)

Basis: individuals aged 14+ using their mobile phone abroad (N=1.56 million; n=291)

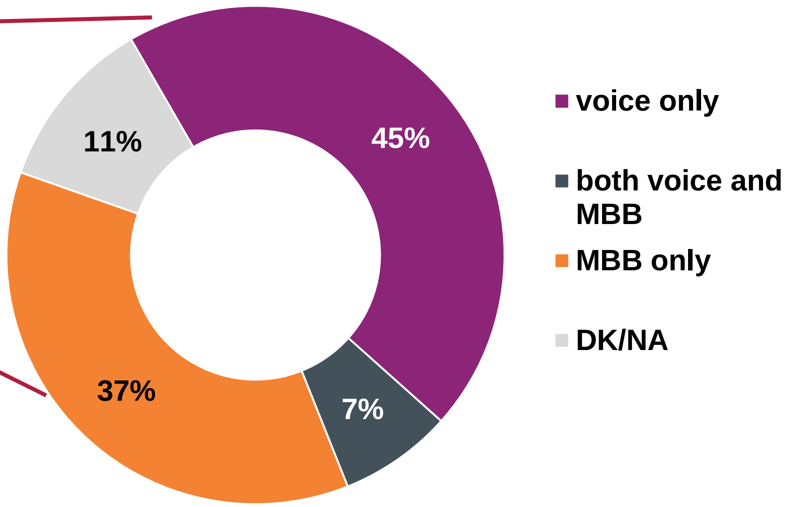
USE OF ROAMING PACKAGES

29% of people roaming abroad use a supplementary roaming package at least occasionally. It makes up the same proportion (30%) among users with MBB subscription. About the same proportion of supplementary roaming packages comprise extra voice and extra MBB option.

Using existing mobile package vs supplementary roaming package when abroad



Type of supplementary roaming packages*



*Data need to be handled carefully because of the low number of respondents

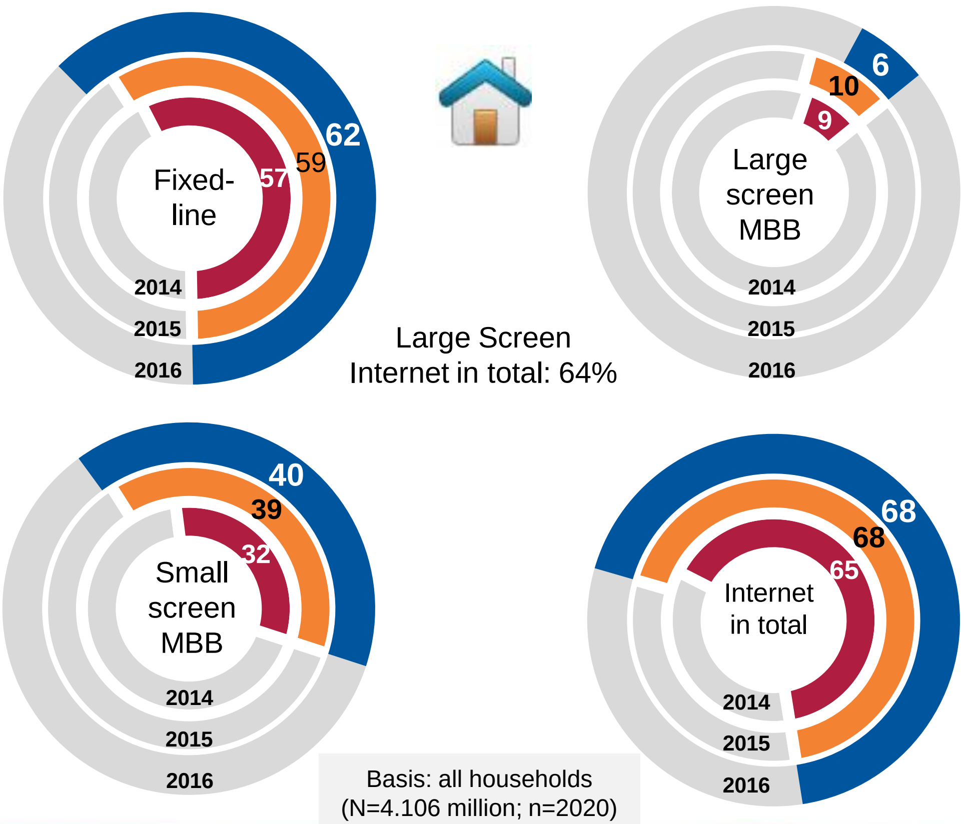
Basis: individuals aged 14+ using their mobile phone abroad (N=1.56 million; n=291)

Basis: individuals aged 14+ who bought a supplementary roaming package (N=444,000; n=73)

INTERNET: DIGITAL MATURITY

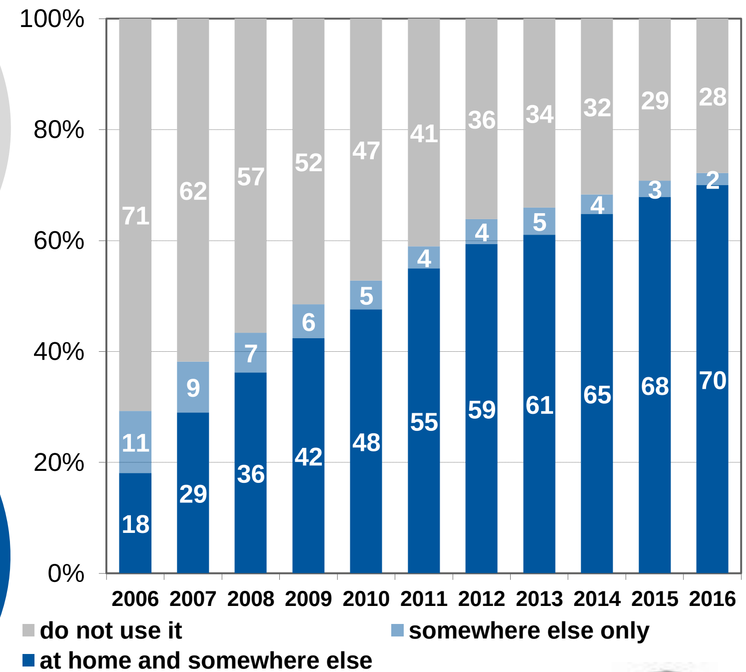
The previous growth in the number of households with Internet access has stopped: still 68% could access the Internet by any device (PC or smartphone) as the year before. Since 2015, penetration of both fixed-line and small screen MBB has not changed significantly while large screen MBB subscription has fallen from 10% to 6%. The proportion of Internet users has constantly increased in the last 10 years, although, this growth has slowed down. This tendency may imply the spreading habit of multi-screen (PC and smartphone) usage.

Internet access in the households



Basis: all households (N=4.106 million; n=2020)

Place of large screen Internet usage

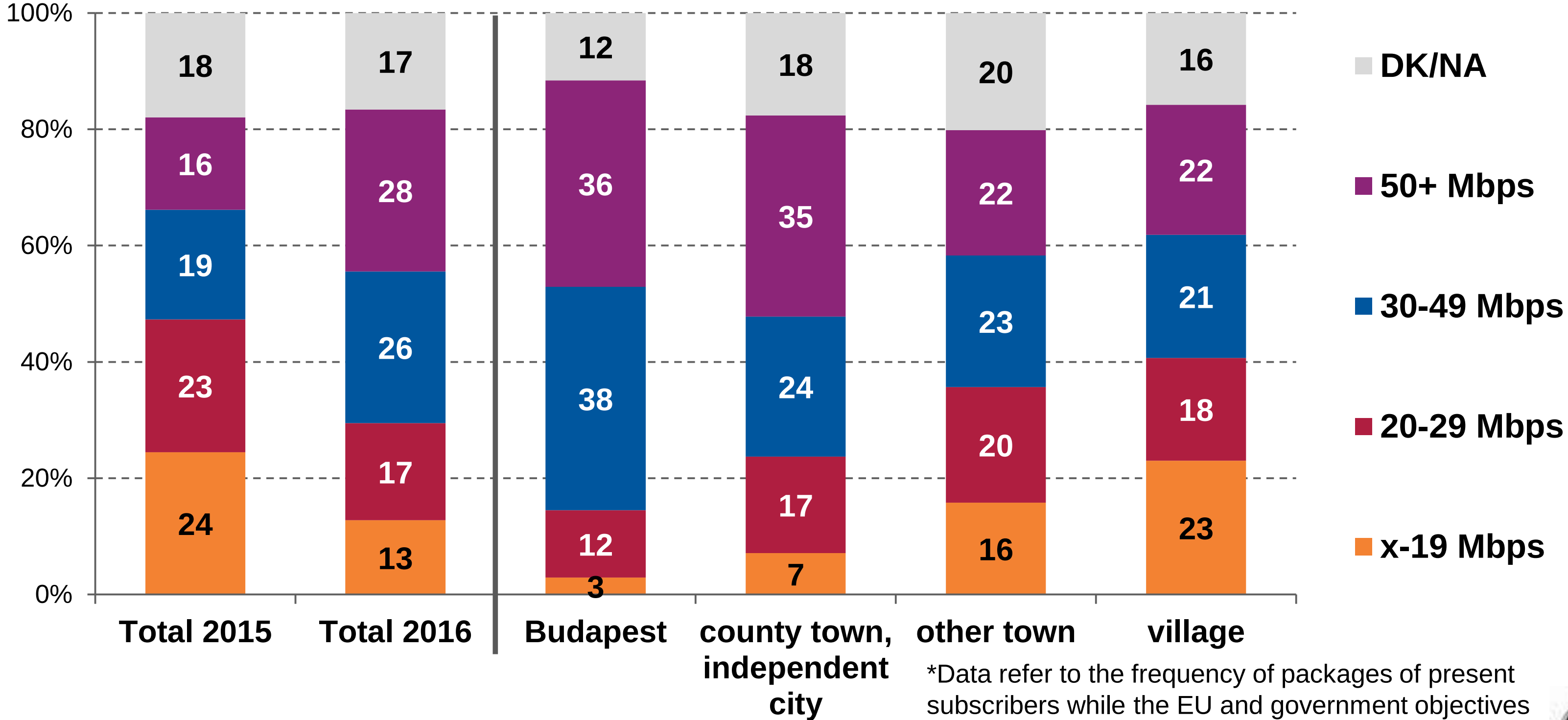


Basis: individuals aged 14+ (N=8.593 million; n=2020)

FIXED-LINE INTERNET PACKAGES

In the past 12 months, penetration of fixed-line Internet packages under 30 Mbps has dropped significantly in the households. At the same time, proportion of packages with wider bandwidth has increased from 35% to 54%. It is an EU objective to cover 100% of the population with 30 Mbps Internet access by 2020 while the Hungarian government would like to complete it by 2018*. The proportion of Internet packages with bandwidth over 30 Mbps is 74% in Budapest, but the fastest growth can be noticed in the villages: this proportion has rocketed from 21% to 43% since last year.

Fixed-line Internet packages by settlement

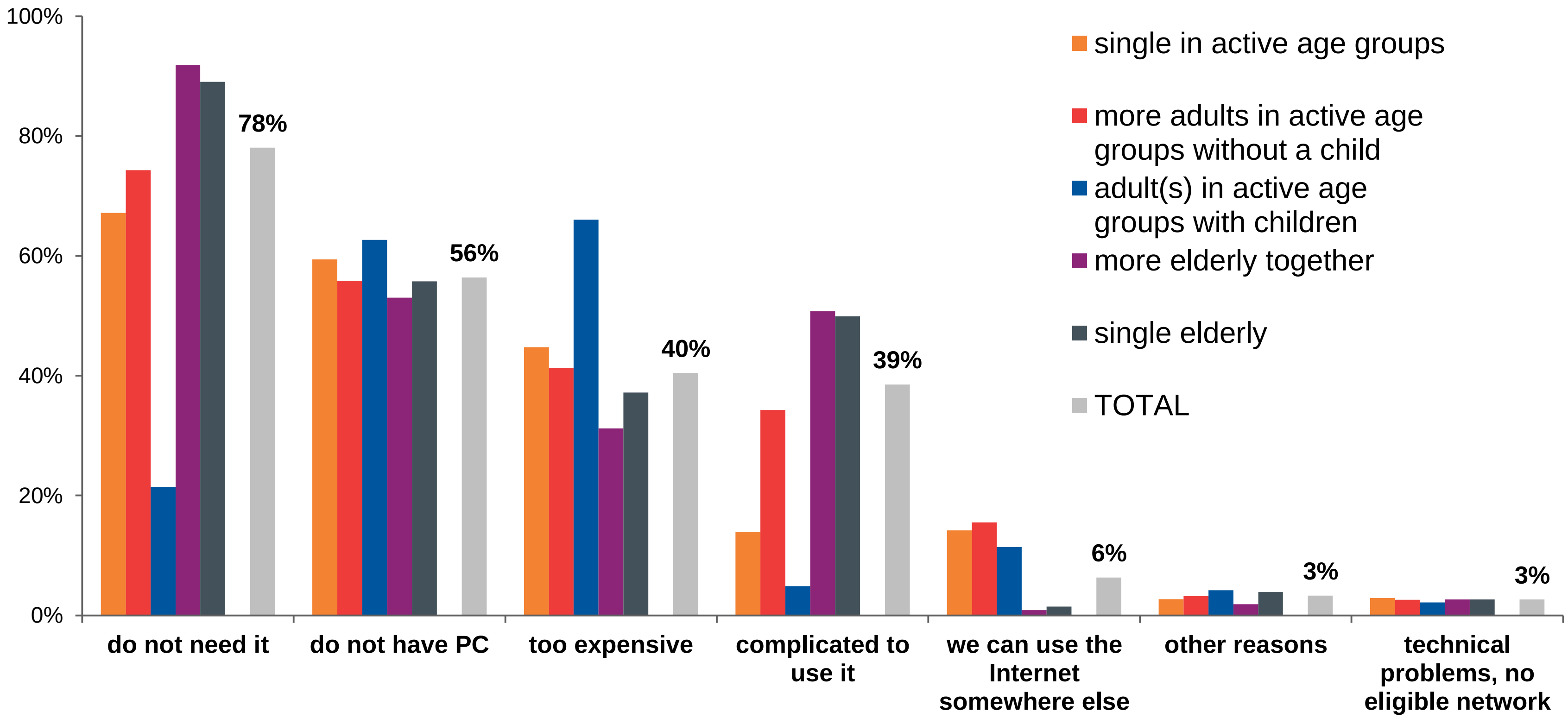


*Data refer to the frequency of packages of present subscribers while the EU and government objectives refer to bandwidth to be reached by all households

Basis: households with subscription for fixed-line Internet (N=2.55 million; n=1134)

REASONS FOR NOT HAVING INTERNET AT HOME

Households with elderly members only say they do not need Internet at home which may be explained by their anxiety about being too complicated for them and that they do not have PC either. Households with children that do not have Internet hardly say that they do not need it. The main reason for not having Internet among families with children is poverty: they cannot afford a monthly subscription fee nor the necessary devices.

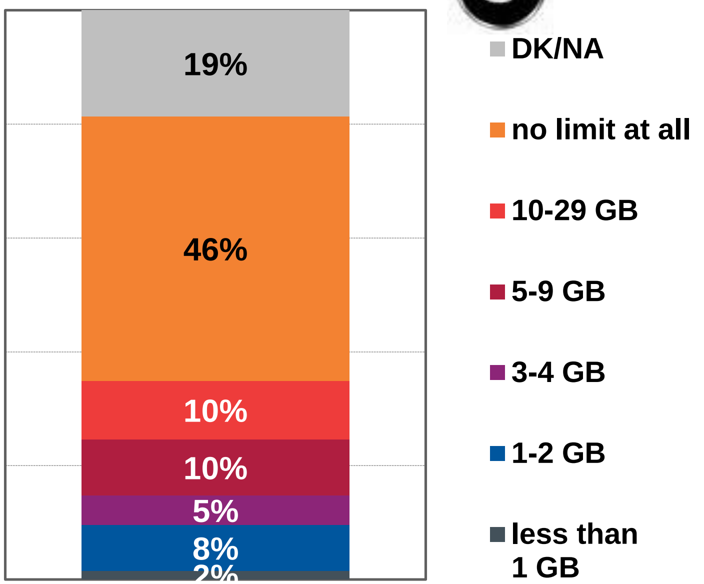


Basis: households without subscription for large screen Internet (N=1.463 million; n=847)

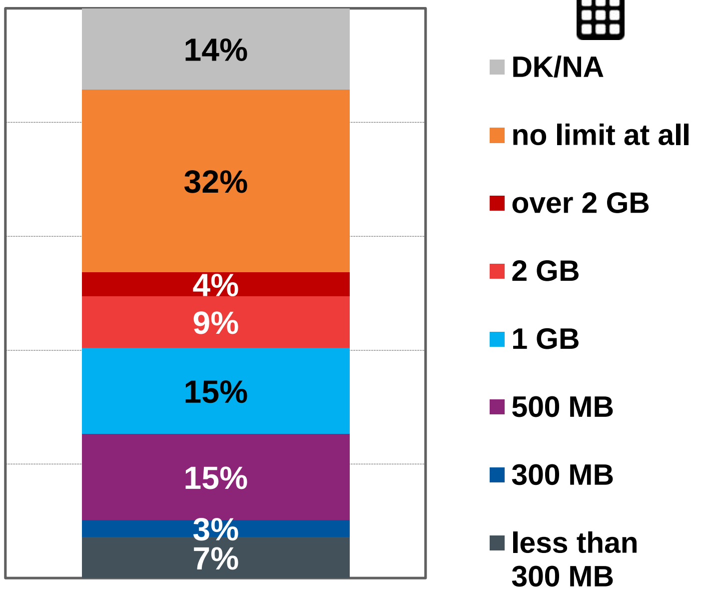
LIMIT OF MOBILE DATA TRAFFICKING

35% of large screen MBB users and 53% of small screen MBB users say they use a mobile package with limited data trafficking. Nearly half of the latter has less than 1 GB per month. Telenor has more customers with lower limit of data trafficking than other operators. The great majority of users having mobile package with unlimited data may be explained by their lack of information as according to General Terms and Conditions of operators, unlimited data package practically does not exist in Hungary. They may believe having an unlimited data package, because when reaching their monthly limit, their operator just slows down but does not cease their service.

Large screen MBB*



Small screen MBB



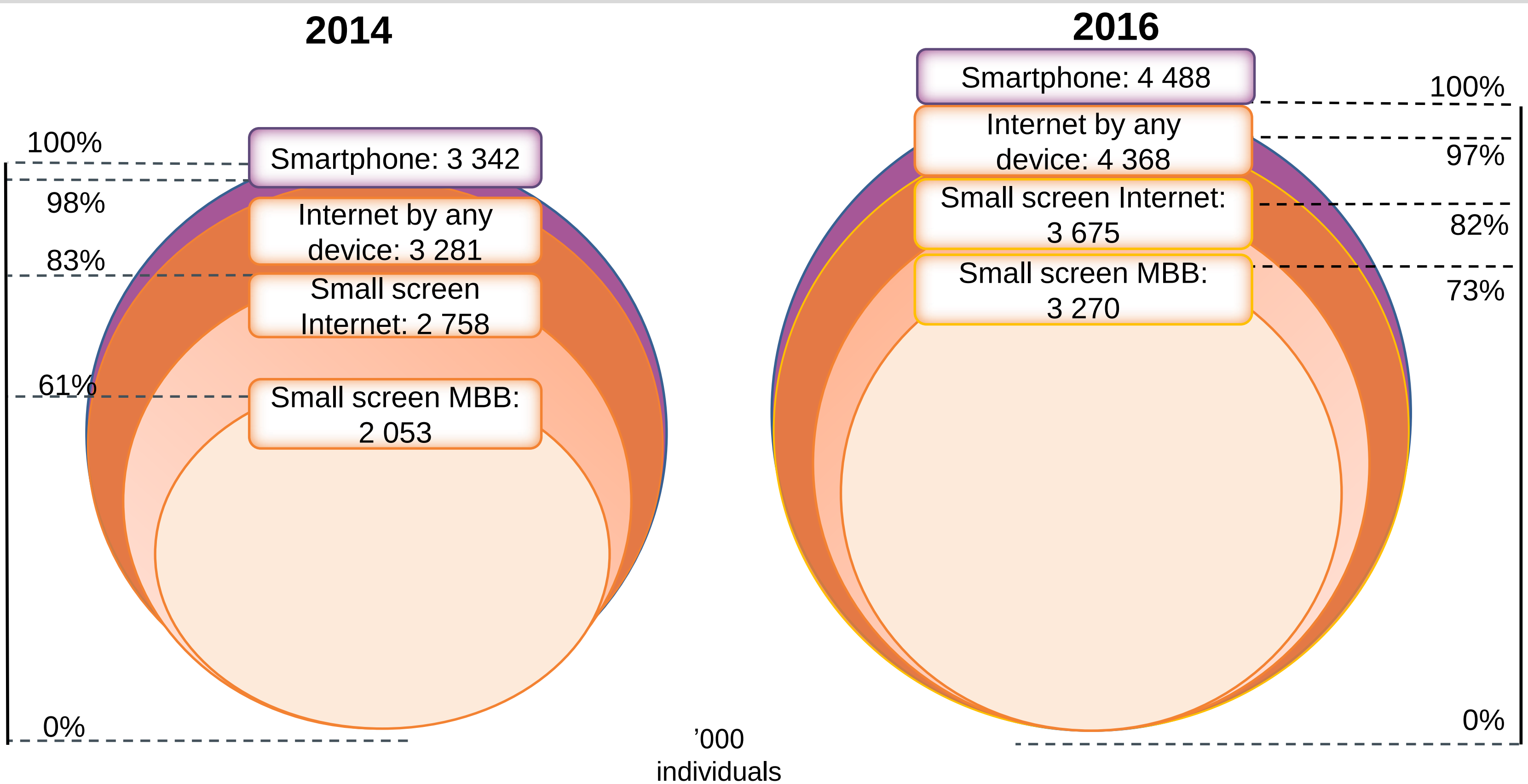
*Data need to be handled carefully because of the low number of respondents

Basis: large screen MBB users (N=483,000, n=85)

Basis: small screen MBB users (N=3.73 million, n=1382)

USE OF SMARTPHONE AND THE INTERNET

The vast majority (97%) of smartphone users access the Internet by any device and any technology. 82% of smartphone users browse the Internet via their phone and 73% of them use MBB (this proportion was 61% in 2014 and still 63% in 2015).

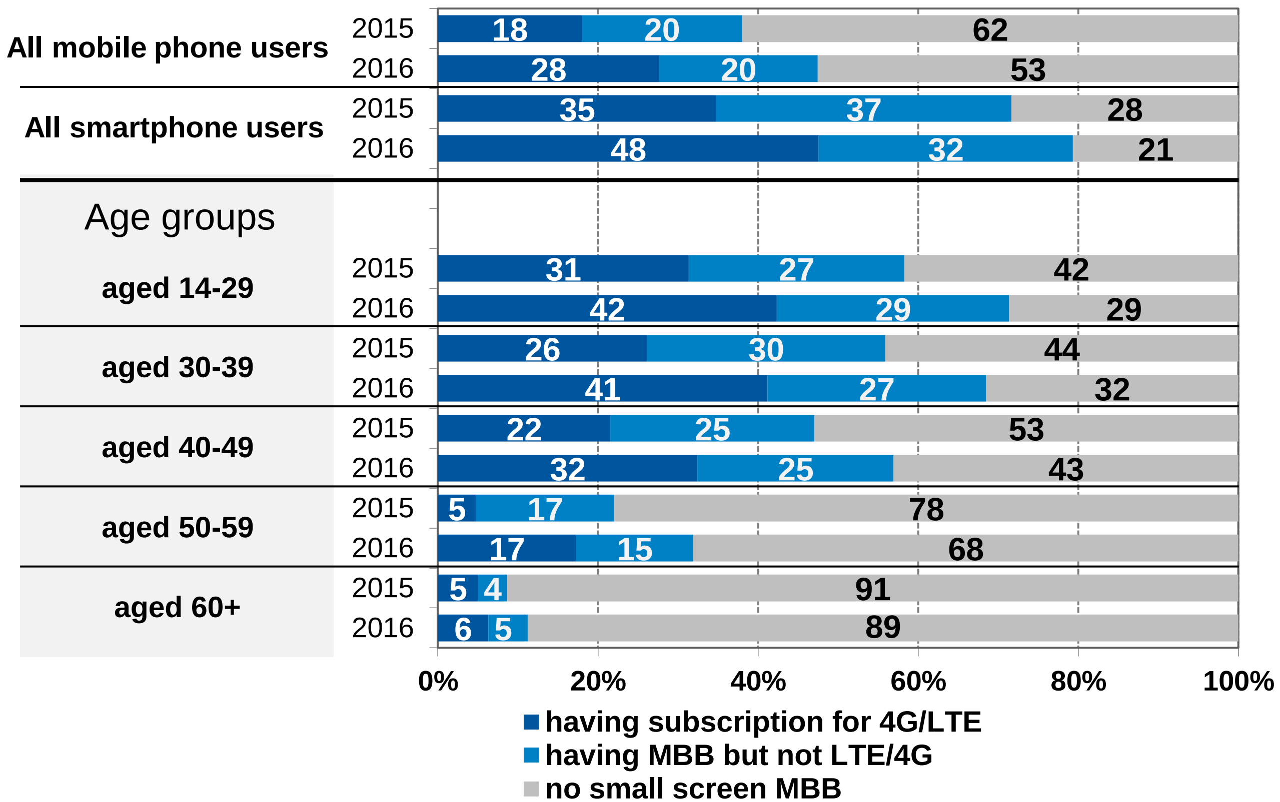


Basis: smartphone users
(N=3.34 million; n=600)

Basis: smartphone users
(N=4.49 million; n=787)

USE OF 4G/LTE TECHNOLOGY

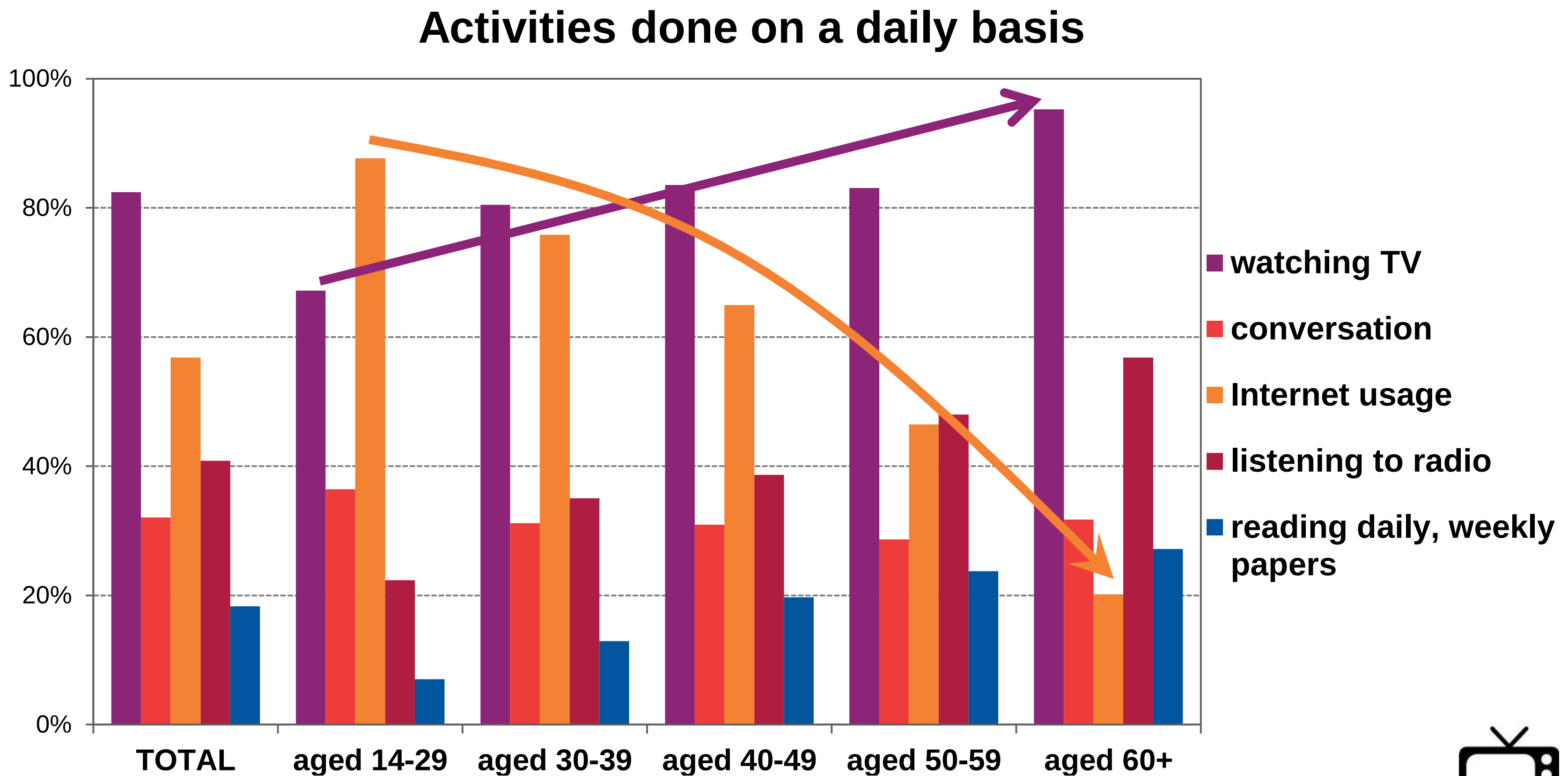
Since 2015, penetration of small screen MBB has grown significantly. Moreover, the proportion of mobile users saying they have 4G/LTE access has increased from 18% to 28% at the same time. According to respondents under 40, more than 40% of mobile phone users have 4G/LTE access. In 2016, half of smartphone users have 4G/LTE access while it made up to one third only a year before.



Basis: mobile phone users aged 14+ (2015: N=7.934 million; n=1789, 2016: N=7.87 million; n=1767)

LEISURE TIME ACTIVITIES

Regarding some leisure activities done on a daily basis, watching TV is the most widespread in mostly all age groups, except the youth aged 14-29 who use the Internet more often than watching TV. 57% of people aged 14+ use the Internet every day while this proportion is 80% among persons younger than 40 and it falls significantly among those older than 50. More people aged 60+ read newspapers and listen to the radio than the youth do

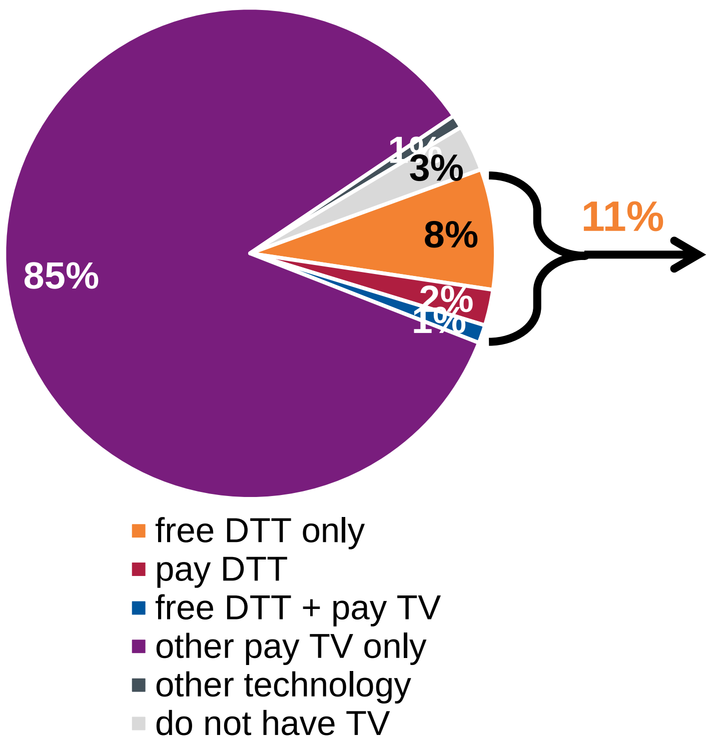


Basis: individuals aged 14+ (N=8.59 million; n=2020)

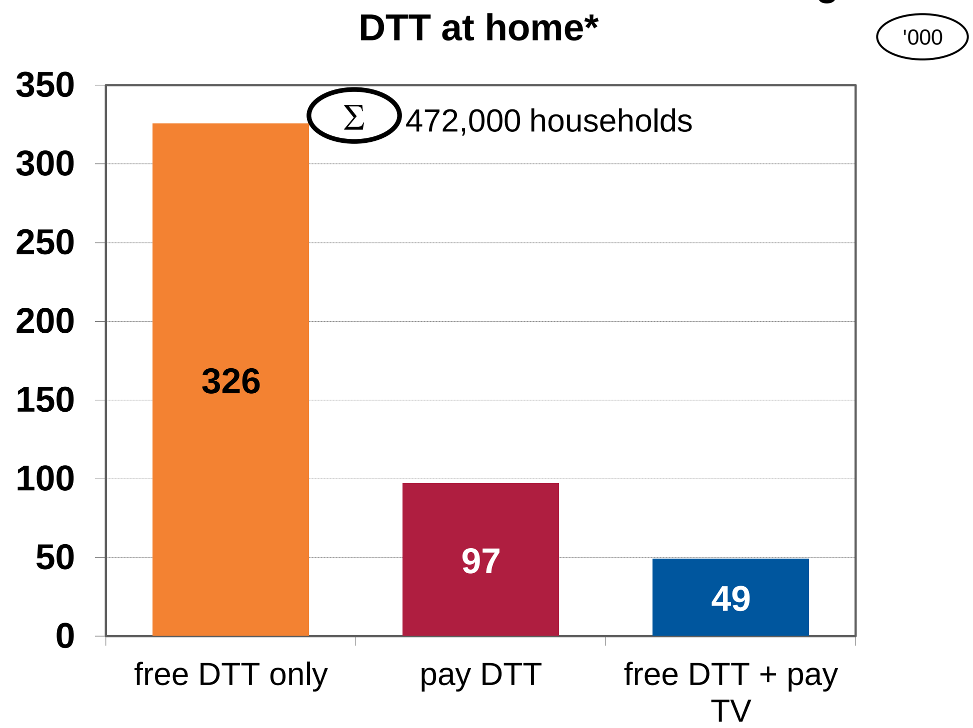
DIGITAL TERRESTRIAL TV (DTT)

97% of households have a TV set and 88% subscribe for pay TV service. 9% watch free-to-air DTT (8% have only this and nothing else) and another 1% watch TV by other technologies. About 472,000 households have DTT at home and this number has not changed significantly since 2015.

Pay and free-to-air TV at home



Estimated number of households having DTT at home*



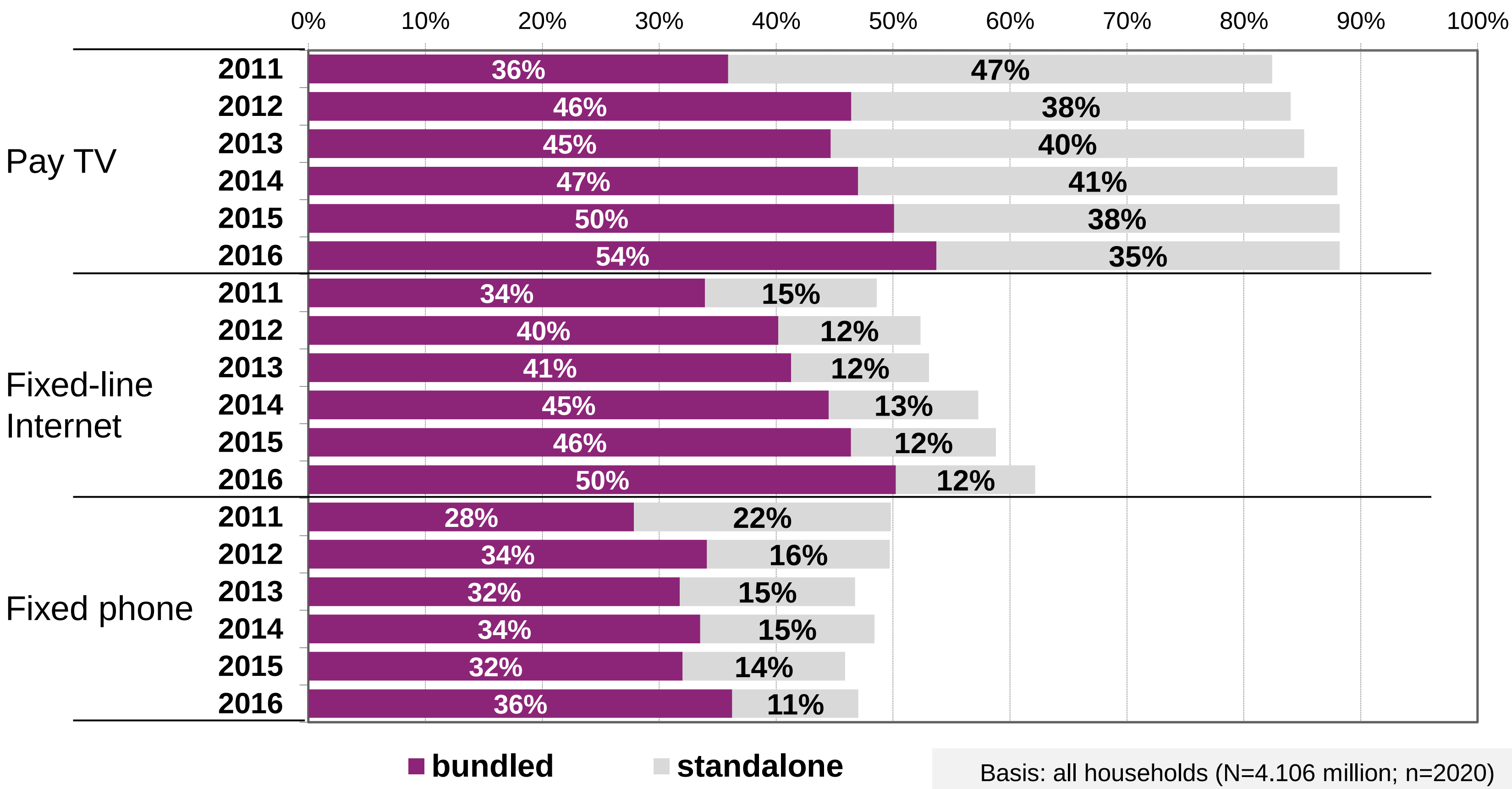
Basis: all households
(N=4.106 million; n=2020)

*Data need to be handled carefully because of the low number of respondents

USE OF BUNDLES AMONG FIXED-LINE SERVICES

61% of subscriptions for pay TV are bundled to other services. More than three-quarter of subscriptions for fixed phone and over 80% of subscriptions for fixed-line Internet are in bundles. Since 2013, proportion of bundled in the market of both TV and Internet services has gradually increased.

Bundled and standalone fixed-line services in the households

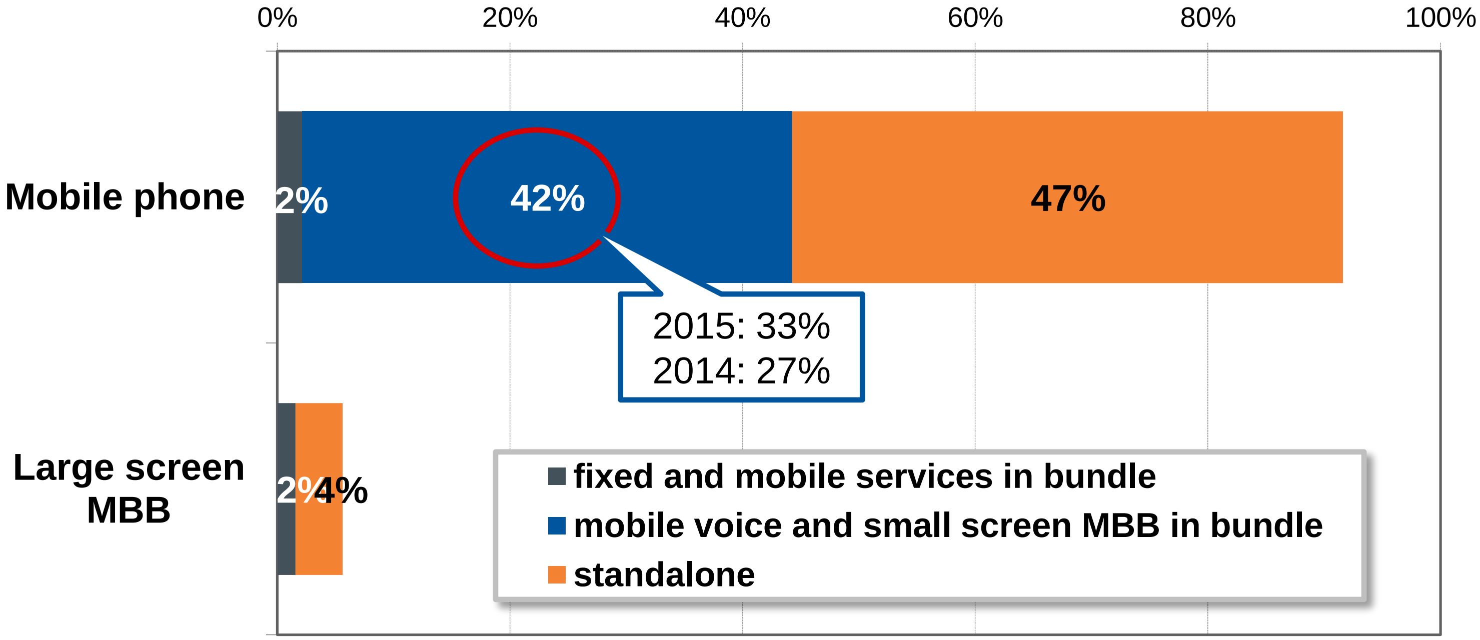


Basis: all households (N=4.106 million; n=2020)

USE OF BUNDLES AMONG MOBILE SERVICES

Hardly any people aged 14+ (2%) subscribe for mobile voice service in a bundle with fixed or large screen MBB services. Although, 42% (46% of mobile phone subscribers) use a bundle of mobile voice and small screen MBB. This latter group could still grow since last year.
One third of large screen MBB users have this service in bundles (it makes up 2% of the population).

Bundled and standalone mobile services of individuals

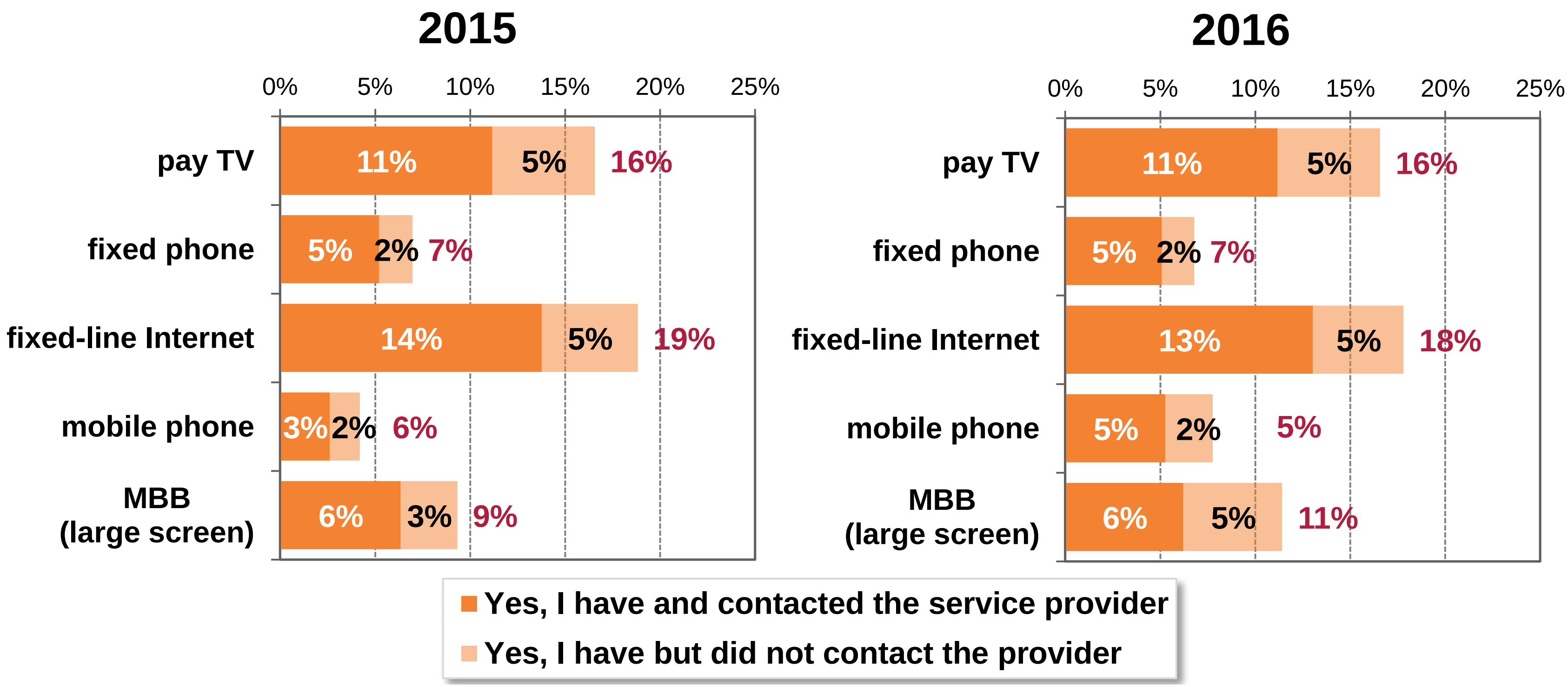


Basis: individuals aged 14+ (N=8.593 million; n=2020)

CONSUMER COMPLAINTS BY MARKET SEGMENTS

19% of households experienced some kind of problems with electronic communication services during the last 12 months and it has not changed significantly since last year. Most problems were perceived in relation to fixed-line Internet and TV services. Less consumers experienced problems with their fixed phone service than a year before. The majority of subscribers contacted their service provider in case of a problem, just as it was the case the year before.

Have you experienced any problem when using the following services in the last 12 months?

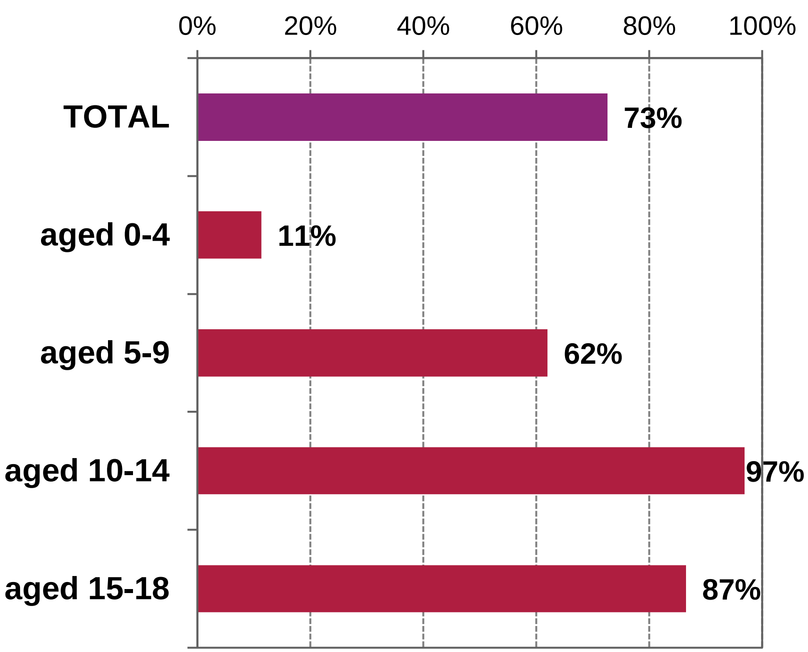


Basis: households having the given service

PARENTAL CONTROL ON PC

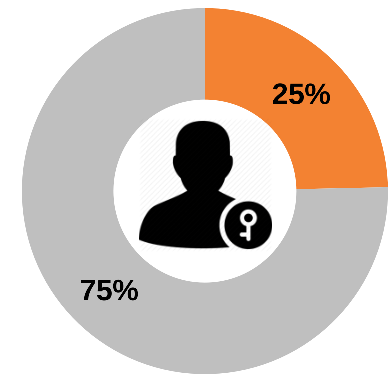
The vast majority (90%) of households living with children have a PC. In three-quarter of these households at least one child use this PC: it is true in all families where the oldest child is over 10 and still true for two-thirds of families where the oldest child is aged 5-9.
Nearly 730,000 households with Internet access live with a child under 14. All in all, one quarter of parents limit the PC usage of their child by a parental account secured with password and one sixth use online content filtering softwares.

Children using PC at home by age of the oldest child in the family

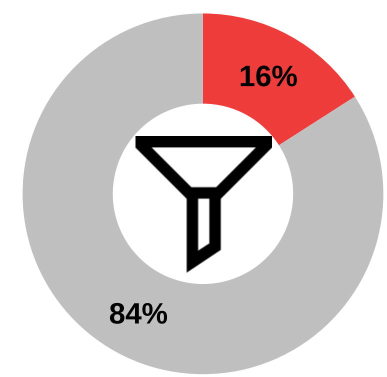


Basis: households with PC and at least one child
(N=974,000; n=341)

Account of parents secured with password that child cannot access



Online filtering browser on the PC used by the child



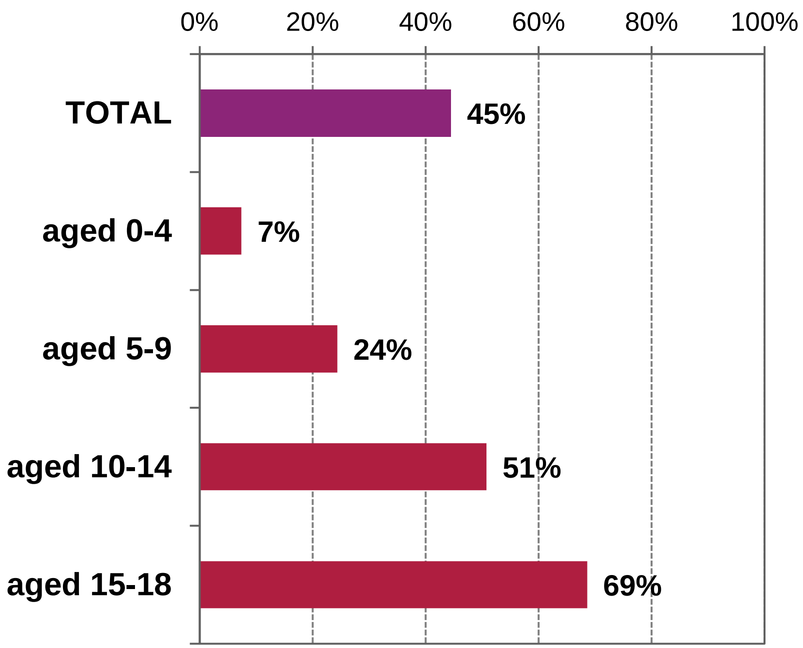
Basis: households with at least one child using a PC
(N=707,000; n=246)

PARENTAL CONTROL ON MOBILE PHONE

At least one child use Internet on his/her mobile phone in 45% of households with children. Small screen Internet usage can be already noticed in case of children under 5 (it is not necessarily MBB) and as children grow older, this activity increases as well to about 70%.

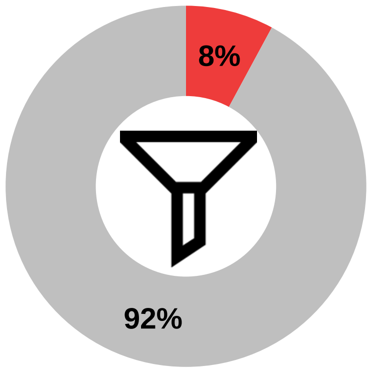
Only 8% of parents use filtering browser software or app on the mobile phone used by the child to protect him/her from inappropriate contents.

Children using Internet on mobile phone by age of the oldest child in the family



Basis: households with mobile phone and at least one child (N=1.065 million; n=374)

Online filtering browser app on the mobile used by the child

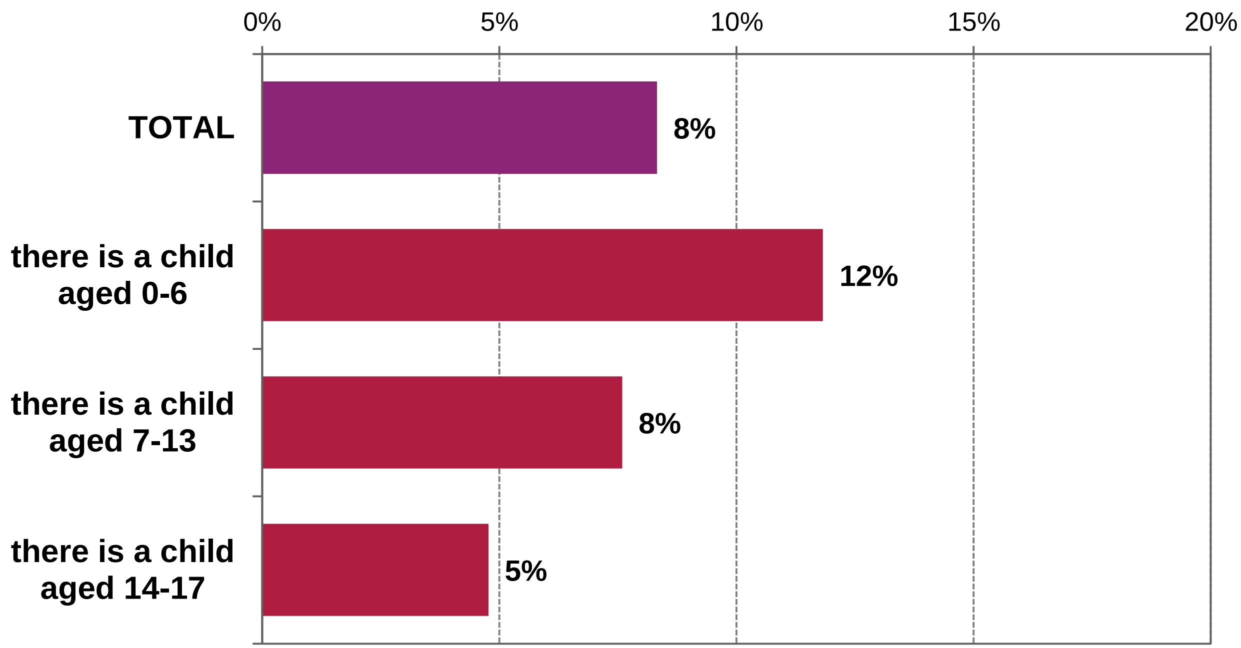


Basis: households with at least one child using the Internet on mobile phone (N=457,000; n=160)

PARENTAL CONTROL ON TV

22% of households with pay TV live with at least one child under 14 and 28% with at least one child under 18 (780,000 and 1 million households, respectively). Regarding all households with pay TV and at least one child, 8% use content filtering software on their TV or set-top-box. The younger the child is, the more likely the use of this kind of parental control. Only 0.2% of households with children subscribe for TV channels with adult content.

Use of content filtering software on TV or set-top-box



Basis: households with pay TV and at least one child under 18 (N=1.01 million; n=355)