

Use of Telecommunication Services in the Households, 2011

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

Service provider: Ariosz Ltd.

Timing of the fieldwork: 29.11.2011 – 15.12.2011

Method: Face-to-face interviews with standardised questionnaire

Sample size: 2017 households and 2017 individuals

Average length of interviews: 54 minutes

Weighting: in case of households: by size and age distribution of the household, type of settlement, region, and area of incumbent telecommunication service provider.

in case of individuals: by age, gender, level of education, size of the household, type of settlement, region, and area of incumbent telecommunication service provider.

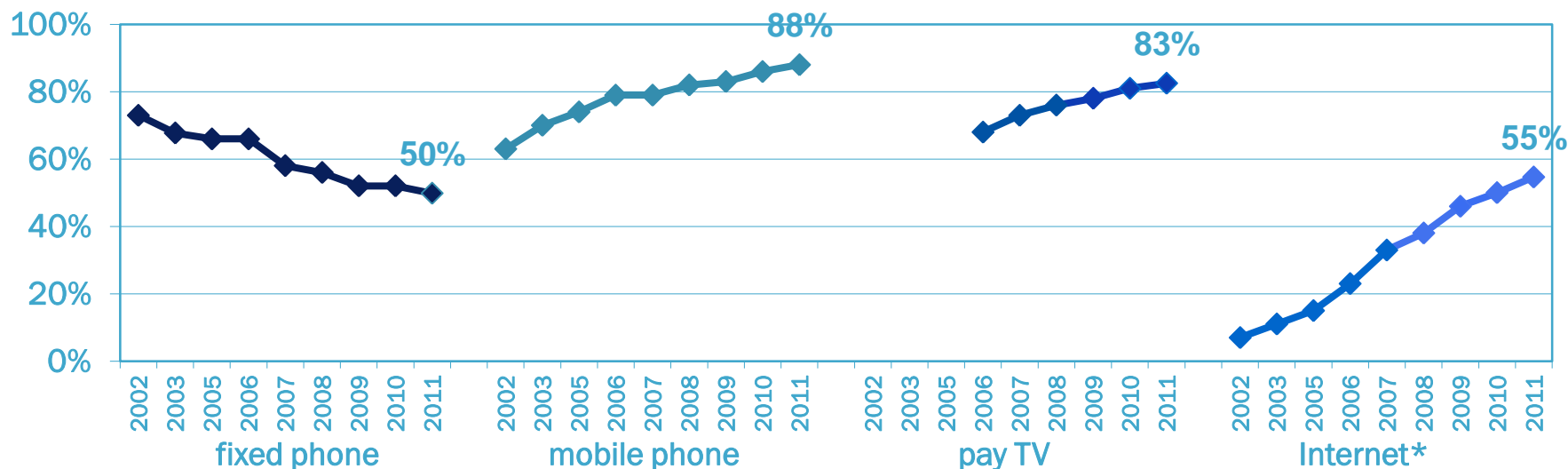
Applied weighting method: RIM weighting (multidimensional iterative cell weighting)

Signs on the slides:  data referring to households



data referring to individuals

2011 is the first year when more households have Internet access than fixed phone. The market of fixed telephony has been still decreasing.



Basis: all households

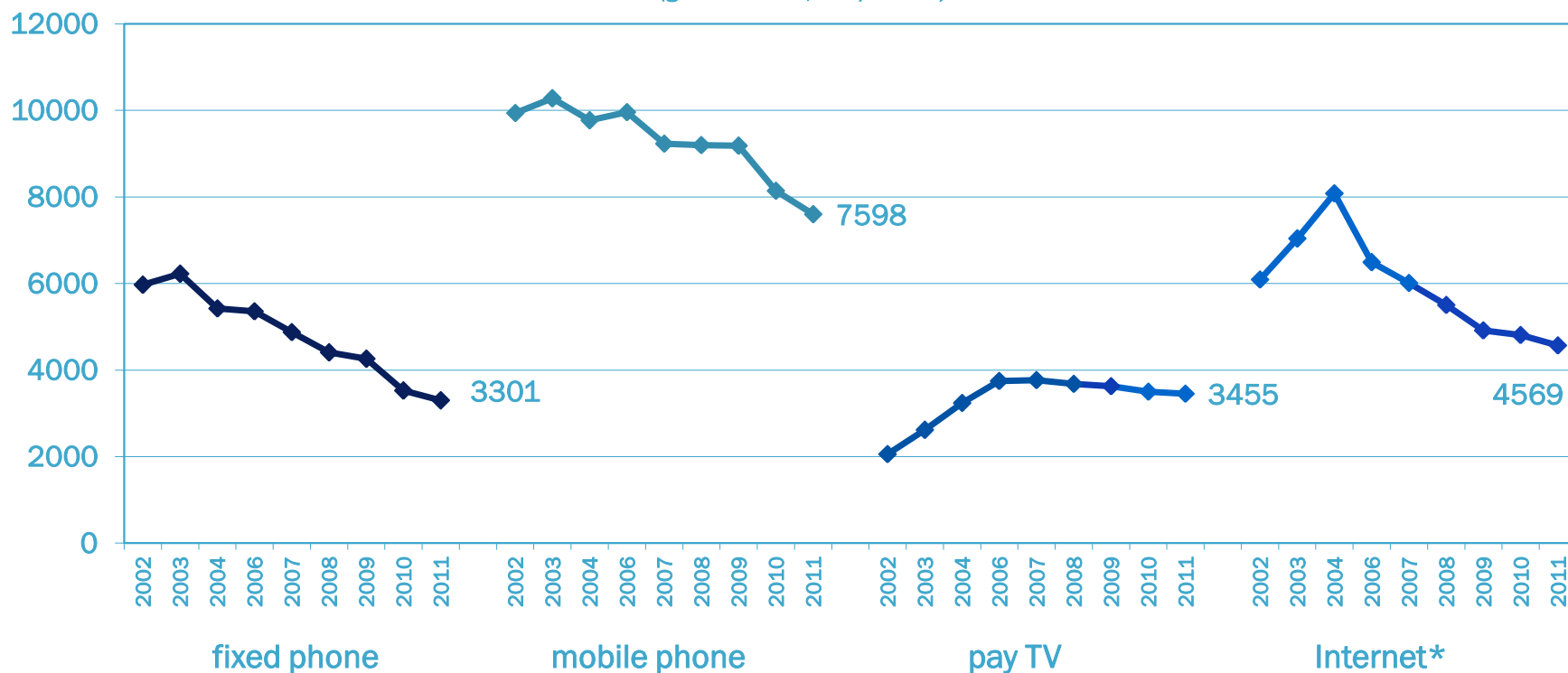
*fixed-line and mobile on PC

number of households, million	2002	2003	2005	2006	2007	2008	2009	2010	2011
fixed phone	2,80	2,64	2,55	2,66	2,33	2,24	2,10	2,08	1,99
mobile phone	2,42	2,69	2,86	3,15	3,17	3,17	3,33	3,44	3,52
pay TV				2,63	2,82	2,94	3,11	3,23	3,30
Internet	0,27	0,43	0,59	0,93	1,33	1,49	1,86	2,00	2,19

The monthly expenditures of households have been decreasing in all telecommunication segments. In case of pay TV, a rather stable stagnation can be noticed.



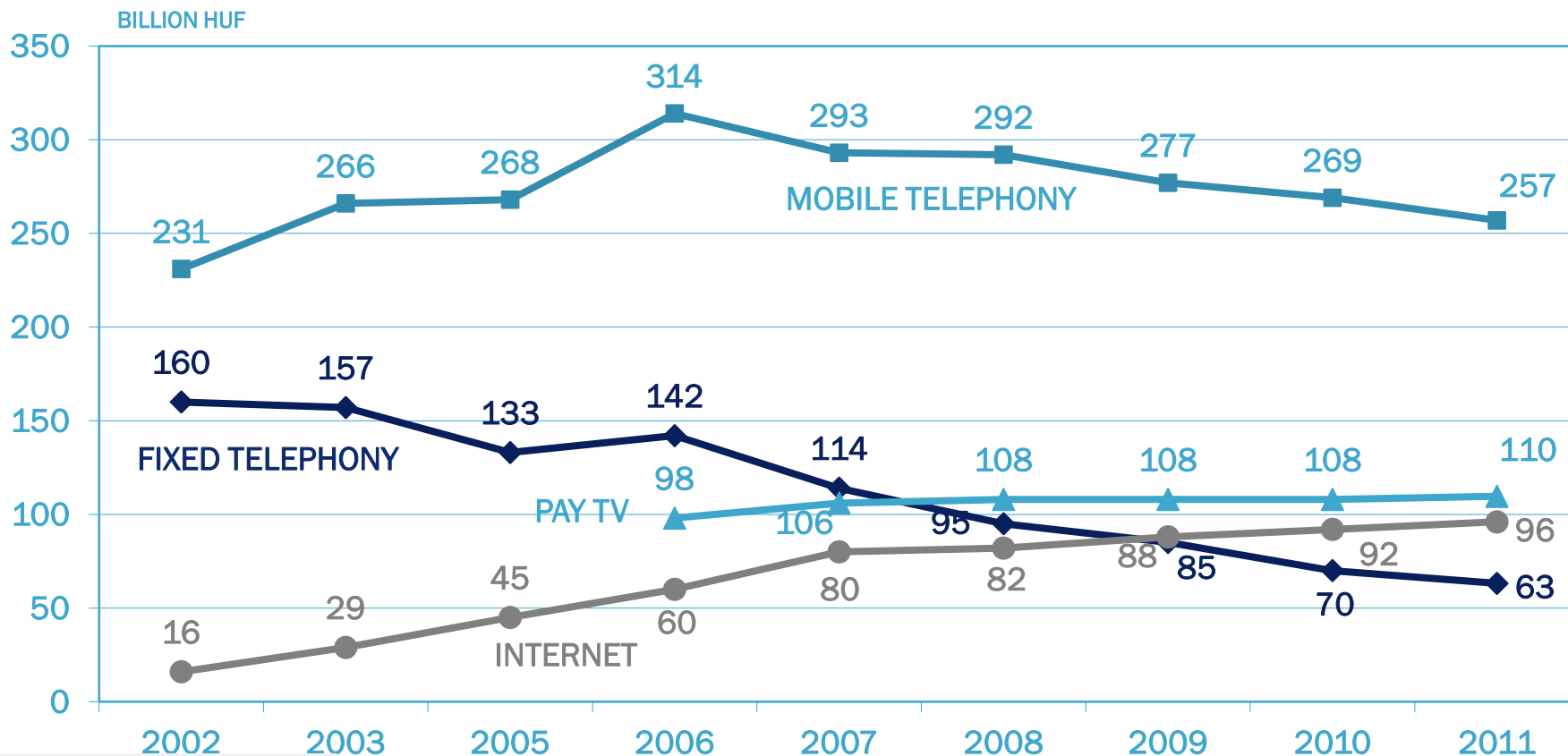
Average spending of households on telecommunication services
(gross amount, HUF/month)



Basis: households having the given service

*fixed-line and mobile on PC

Size of the markets of fixed and mobile telephony have been decreasing while the pay TV market has stagnated and the Internet market has been increasing.

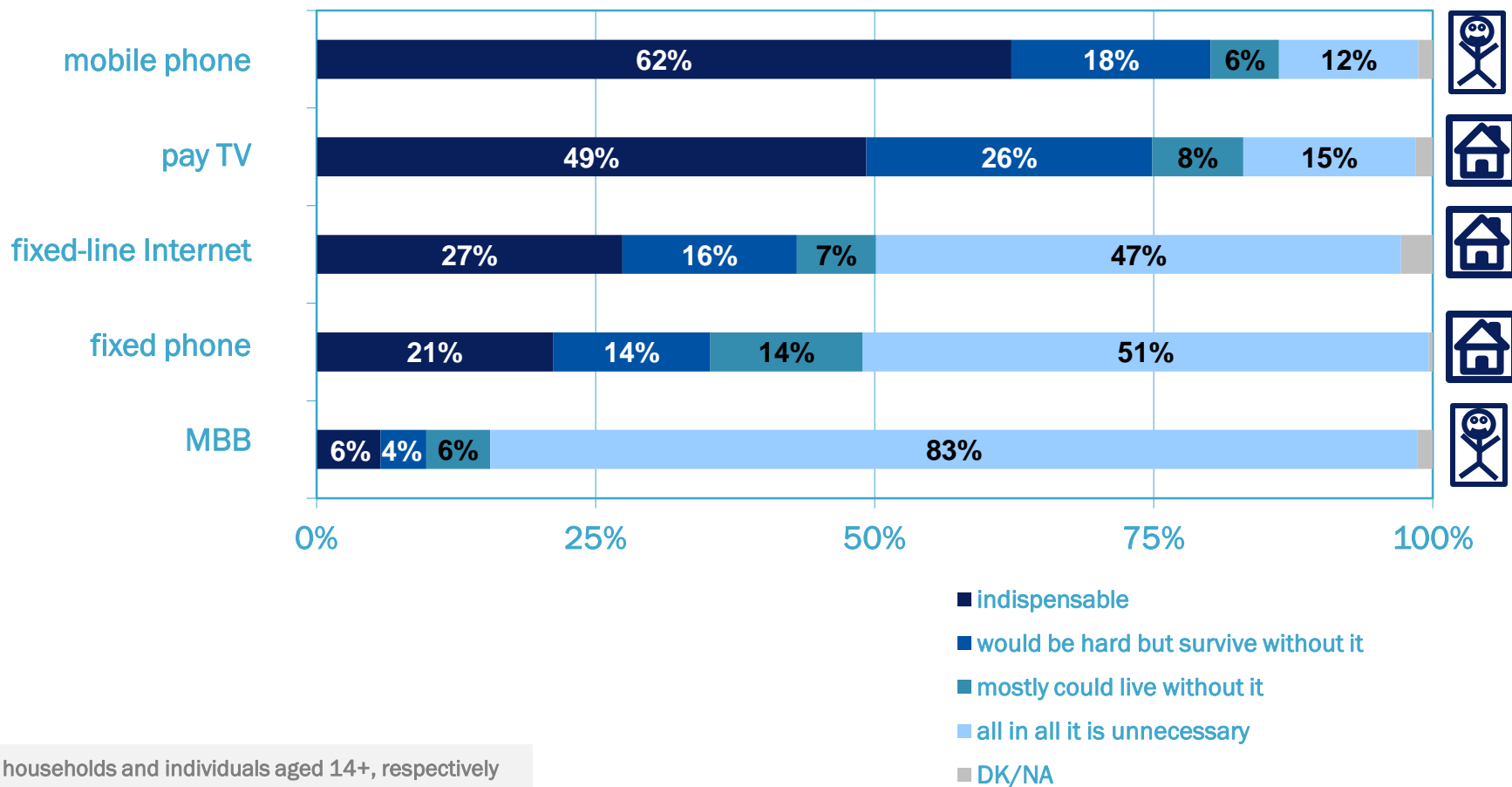


Basis: all households

Size of the market in 2011 is 525 billion HUF (net; in 2010: 540 billion HUF)

As it was the case in the previous years, mobile phone is the most indispensable telecommunication service for the population.

Young people (aged 14-29) say mobile Internet is indispensable twice as often as (12%) than the population average,

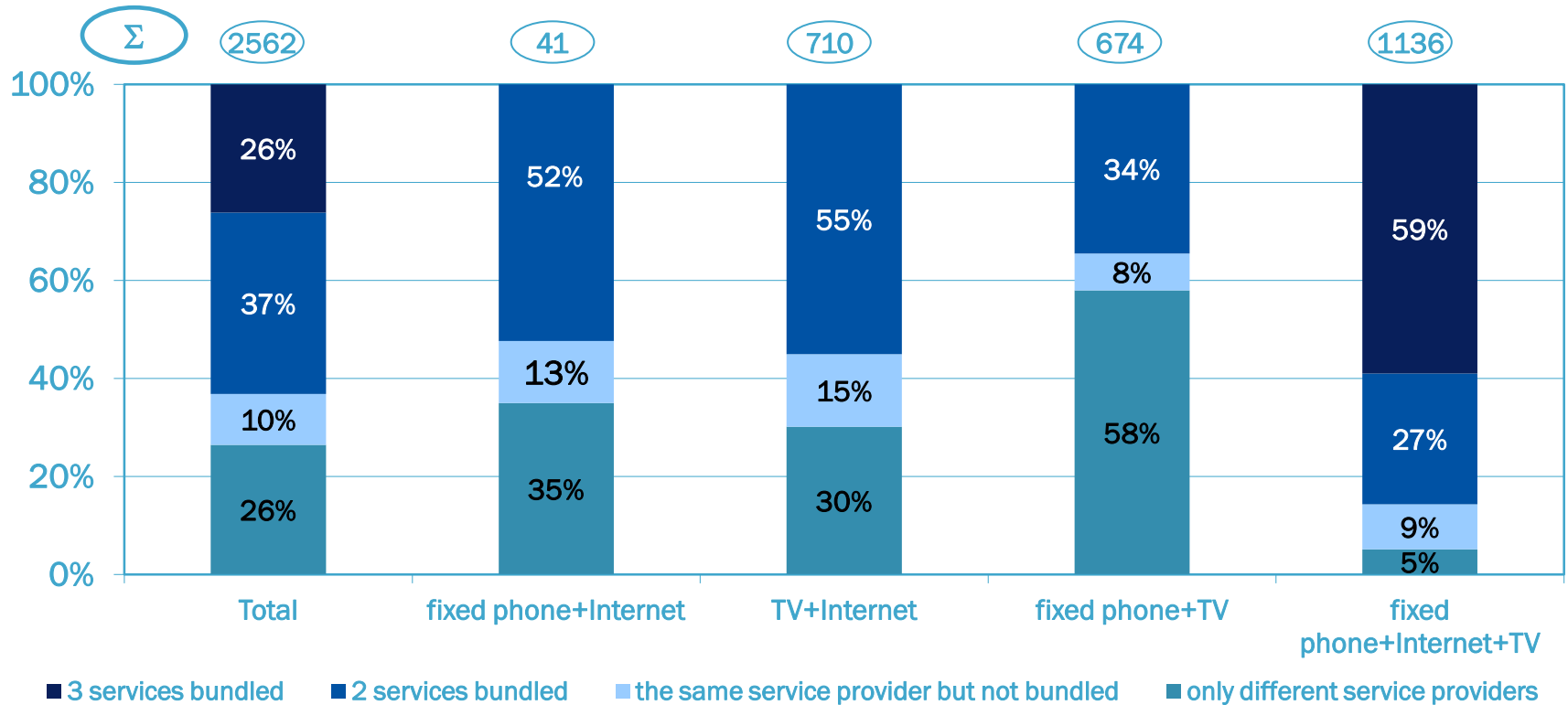


Basis: all households and individuals aged 14+, respectively

Three-quarter (74%) of households having more fixed-line services subscribe for more services at the same service provider.



Use of bundled services by the combination of subscribed services

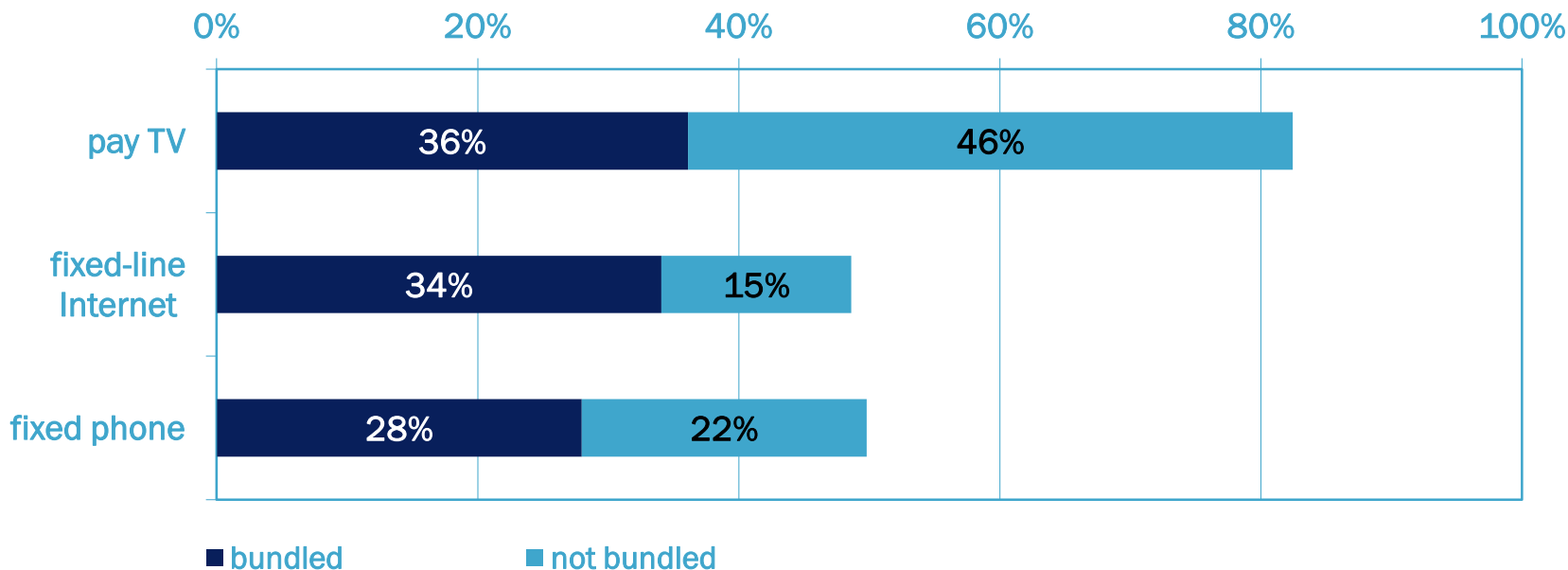


Basis: households using more fixed-line services



Approximately, 1.64 million households use any kind of bundled services. It takes 41% of all households. (1.6 million households have fixed-line and 42 thousand have mobile services in bundle out of the 1.64 million).

Bundled and not bundled fixed-line services in the households

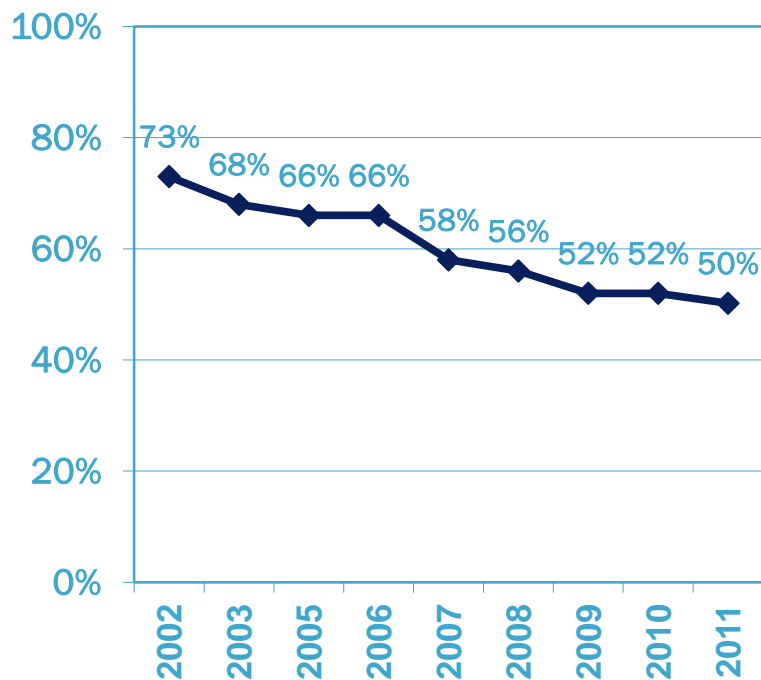


Basis: all households

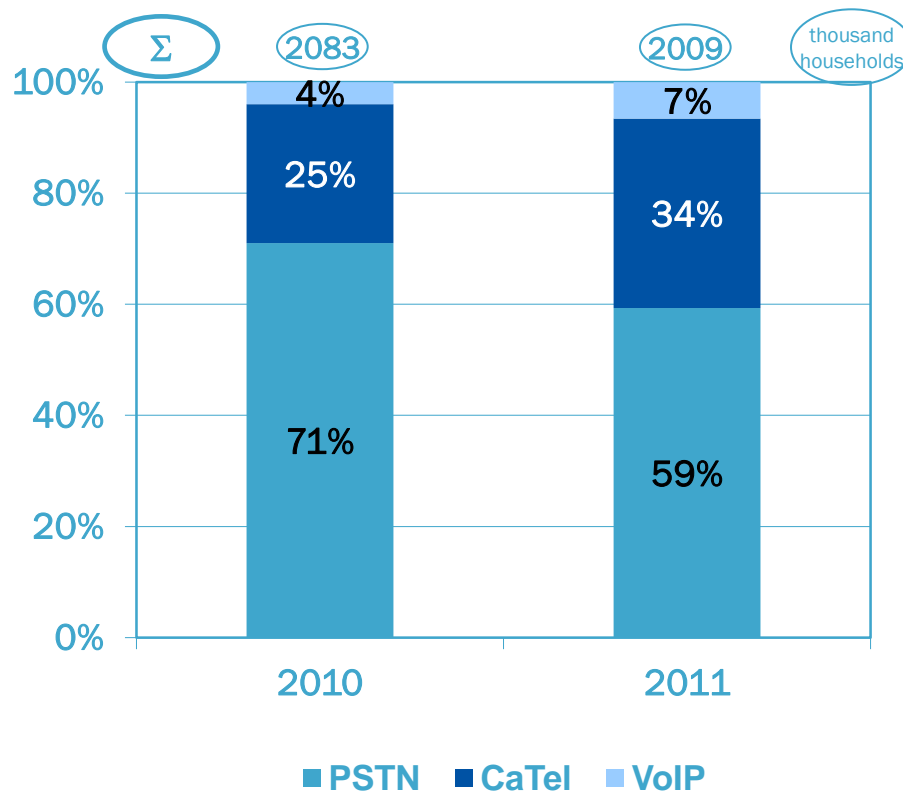


Only half of the households have fixed phone.
The proportion of cable and (managed) VoIP has increased.
There is a strong increase in the proportion of cable phone. (Only 59% of households with fixed phone use the PSTN technology.)

Households with fixed phone service



Technology of fixed phone access



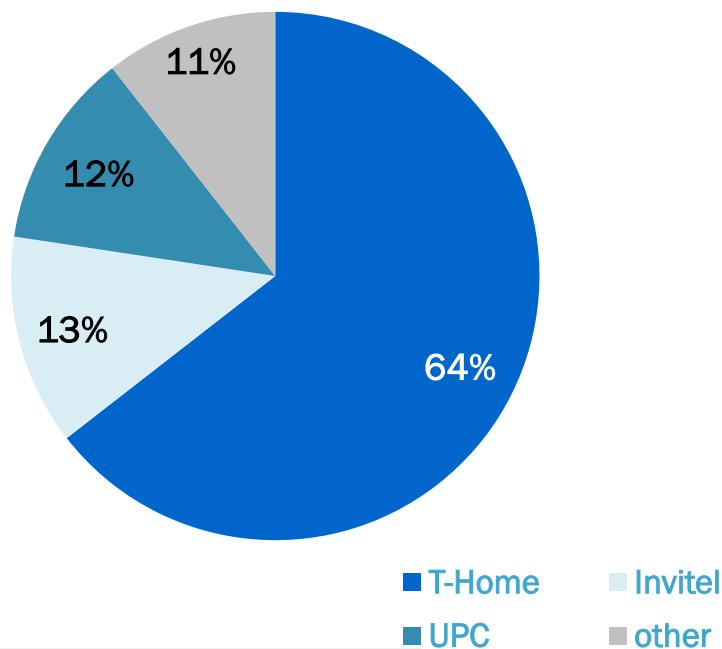
Basis: all households

Basis: subscriptions for landline phone

Cable phone which is nearly always bundled with other services is much cheaper than PSTN. The average monthly spending on VoIP is between the two.

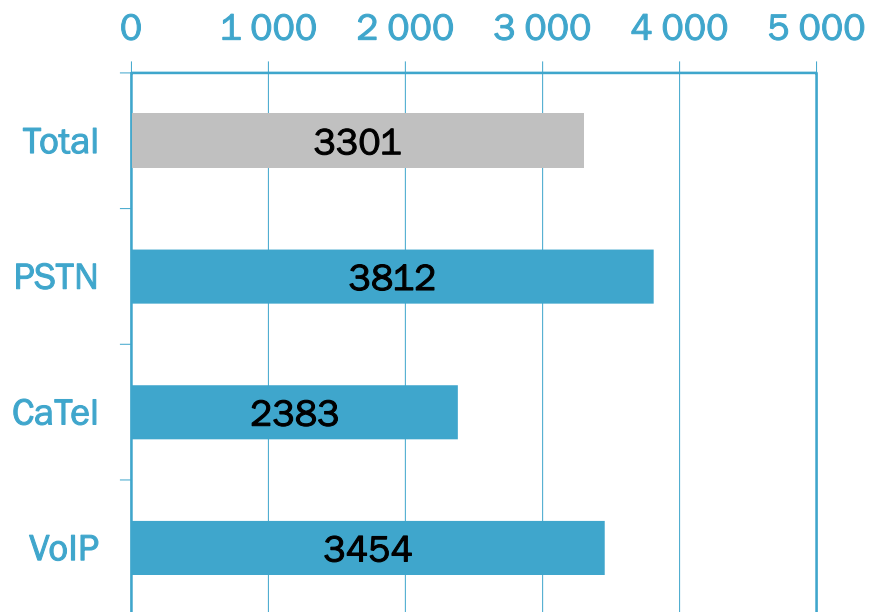


Share of market revenues by fixed telephony service providers



Basis: subscriptions for landline telephony

Expenditures by technology (gross sums, HUF/month)



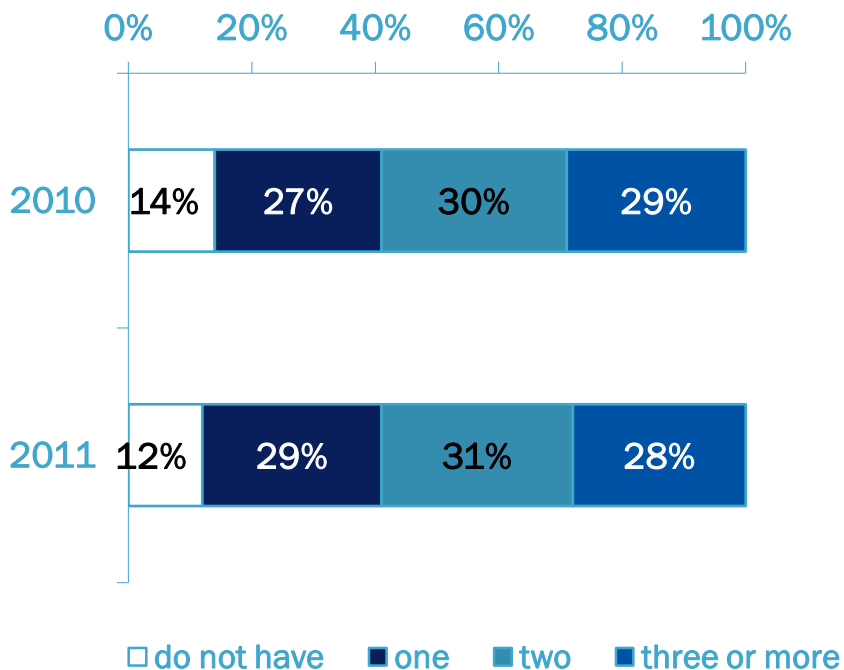
Size of the fixed telephony market: 63 billion HUF (net; 2010: 70 billion HUF)



88% of households have at least one mobile phone compared to the 86% of last year.
 “Forgotten” (scarcely or not used) prepaid cards cannot be covered by survey methods.*
 42% of the 7.7 million SIM cards used in the households* are post-pay while 58% are pre-pay cards
 (this latter proportion was 57% in 2010).

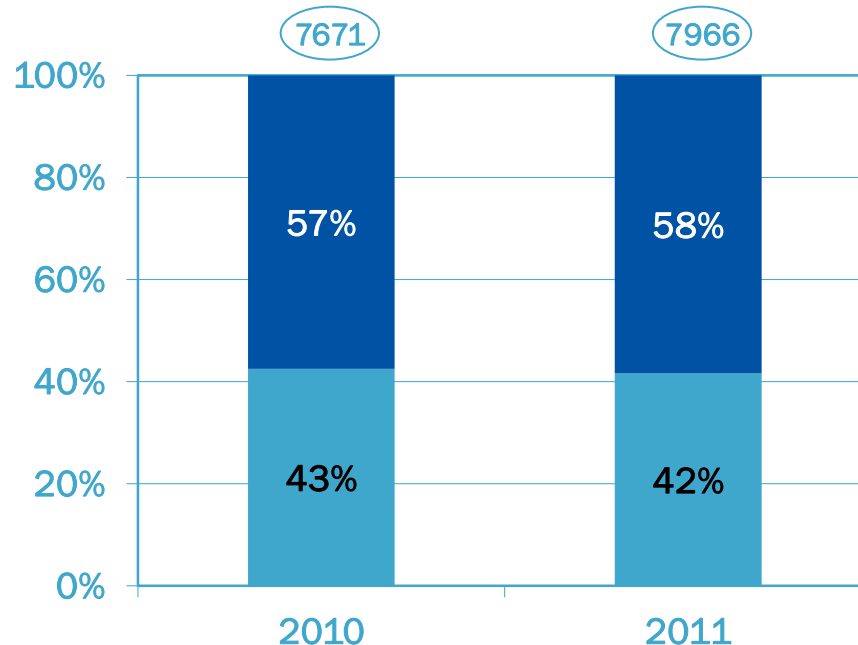
* Only those SIM cards are taken into consideration in the survey which are actively used. Thus, cards for industrial usage or simply inactive are not counted.

Households by the number of SIM cards



Basis: all households

Number of prepaid and postpaid subscriptions (thousand pcs)

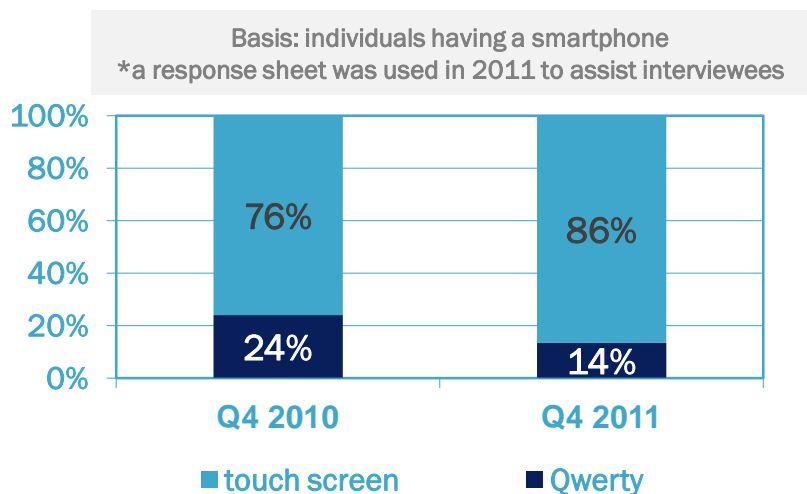
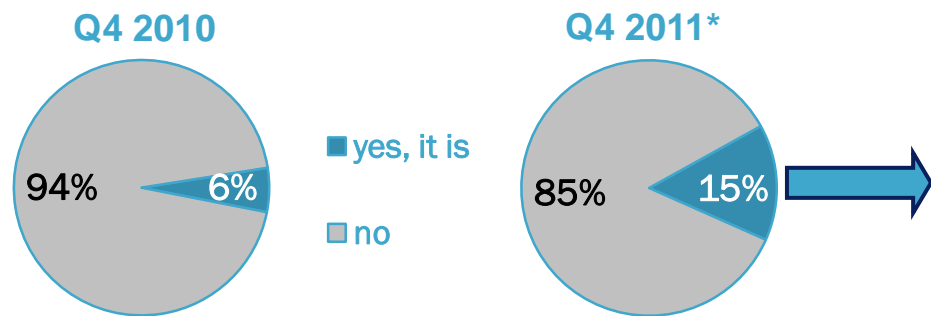


Basis: all subscriptions for mobile telephony

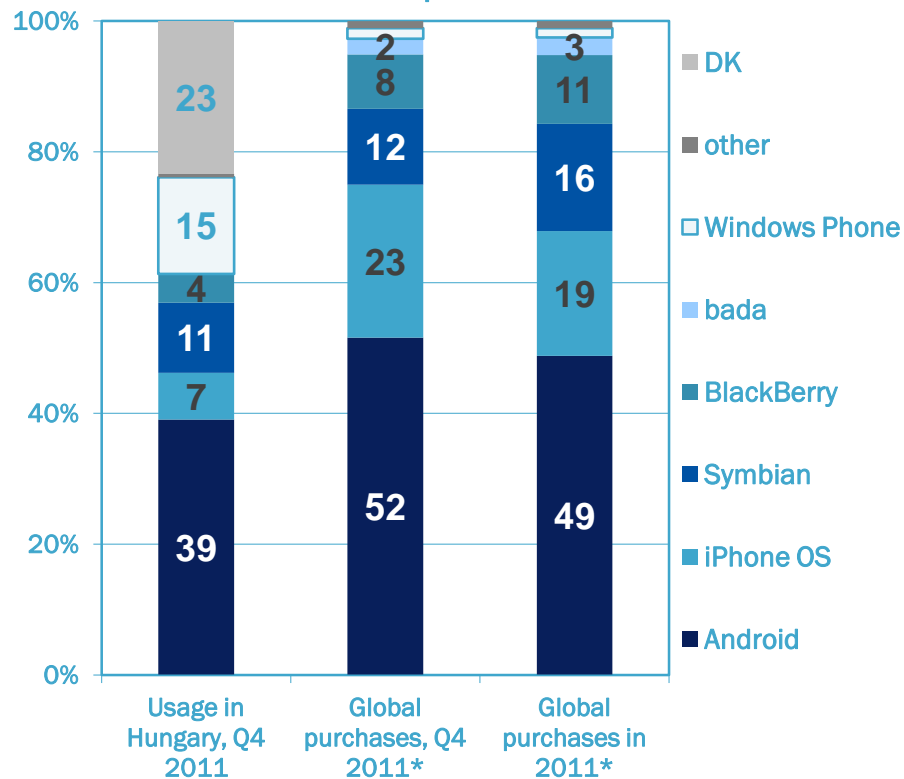
The proportion of smartphones rocketed within one year from 6 to 15%. More than one million people (aged 14+) think to use smartphone (subjective aspect) while survey results show that about 1.5 million people use it (objective aspect) by now. One out of four smartphone users does not know what operating system runs on his/her phone. The proportion of touch-screen smartphones increased from 76 to 86% in one year.



Is the mobile phone you use a smartphone?



What operating system runs on your smartphone?



*Source: Canals estimates © Canals 2012

Pay and non-pay services (e.g. 3G/4G and wifi) are also widespread (8-9%).
A significant increase can be noticed in sending MMSs, downloading pictures , ringtones, and other contents among smartphone users compared to the previous year.

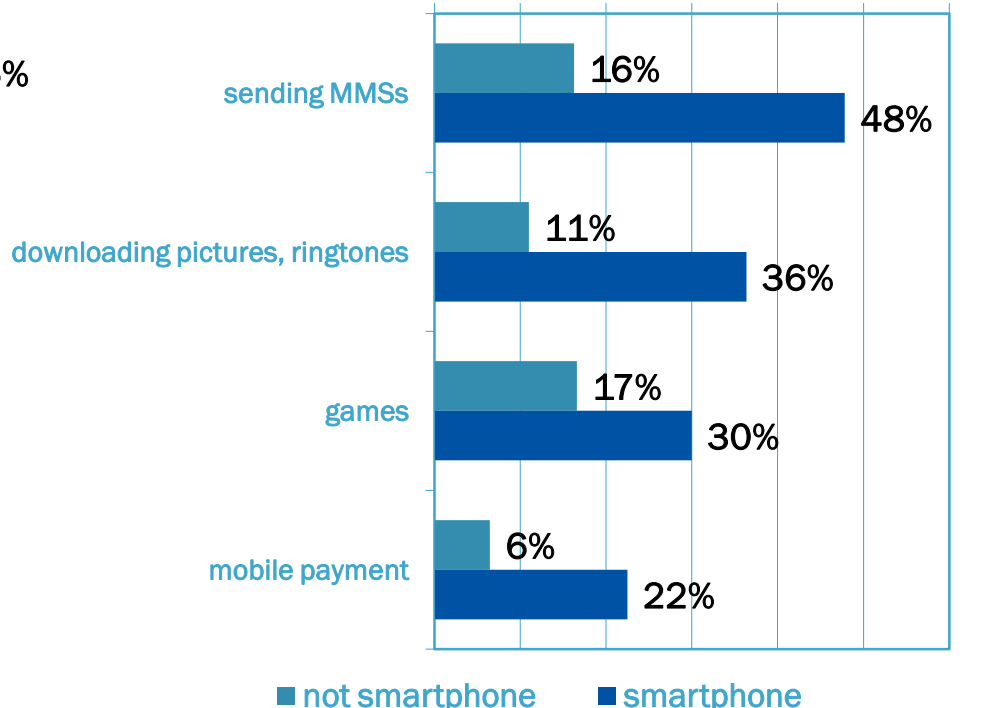
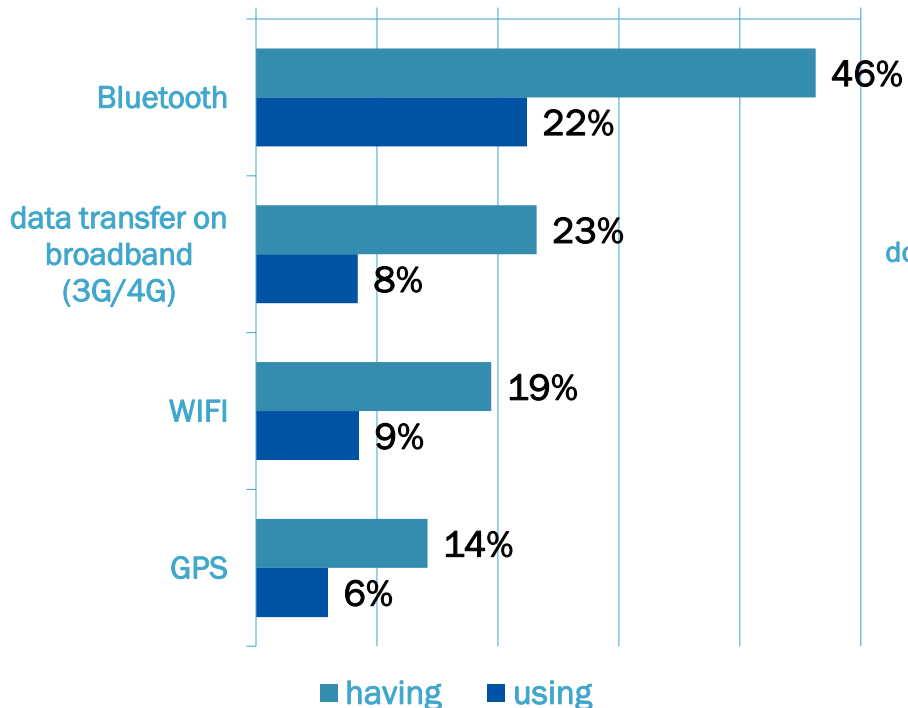


Data transferring functions on mobile phones

Use of additional features

0% 10% 20% 30% 40% 50%

0% 10% 20% 30% 40% 50% 60%



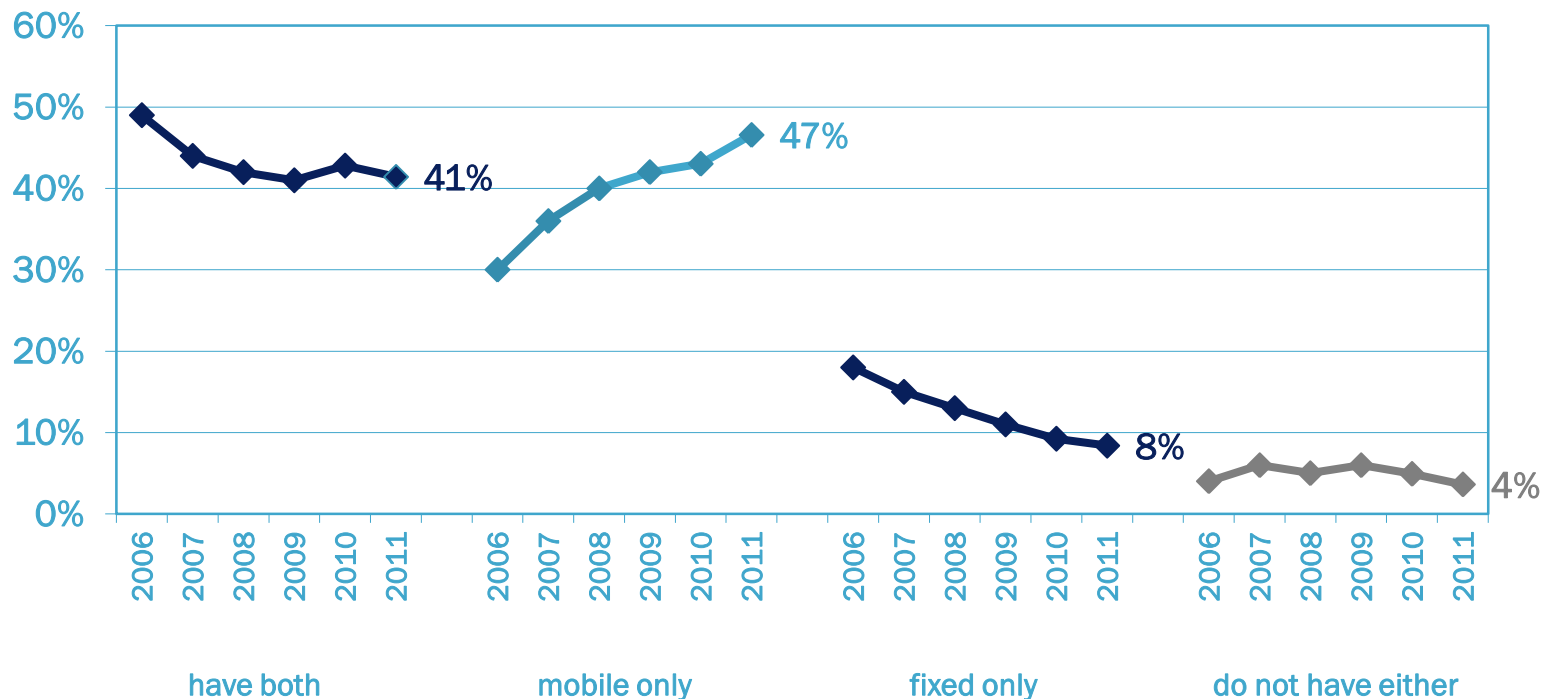
Basis: individuals using mobile phone



A permanent tendency can be noticed on the voice market: the number of households having fixed phone only has been constantly decreasing.

The number of households having both fixed and mobile phones does not decrease any more. The reason behind it may be that fixed phone is usually in bundle with other services.

Households with fixed and mobile phones

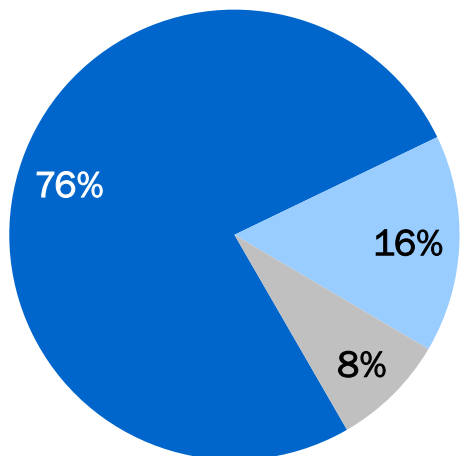


Basis: all households



In case of a 10% increase in the monthly costs, 16% of subscribers would give up their subscriptions. The primary substitution would be the mobile phone: 93% would substitute fixed phone with mobile. 25% of potential unsubscribers would use VoIN – this proportion was only 12% in 2010.

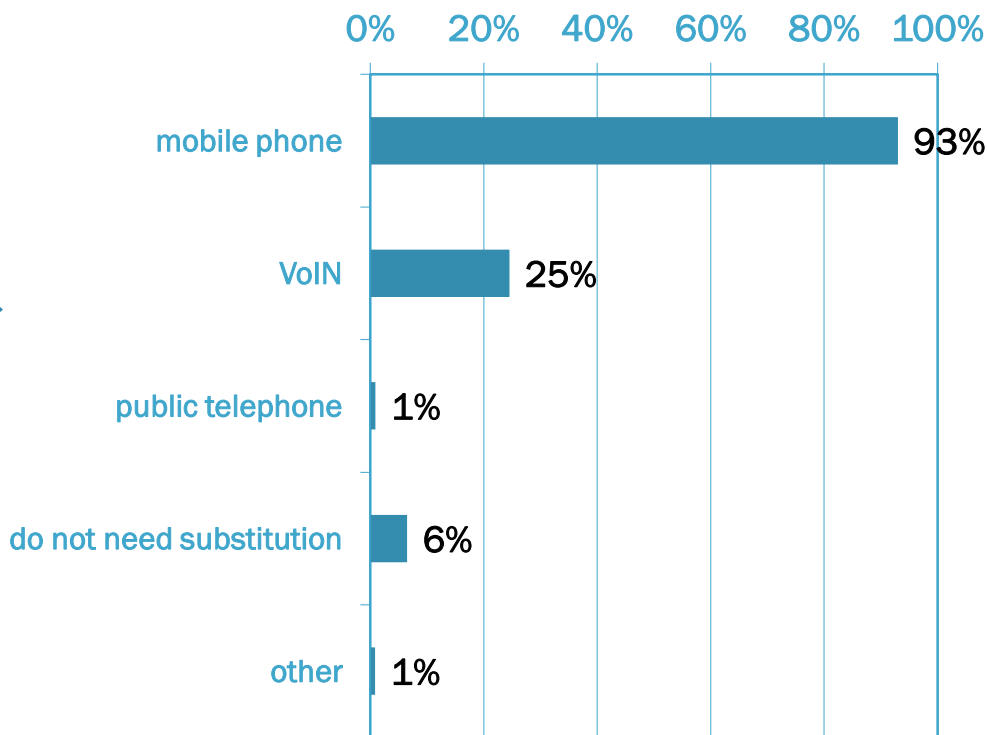
What would you do if the monthly cost of your fixed phone increased with 10%?



- I would pay the higher price
- I would unsubscribe the service
- DK/NA

Basis: households with subscription for fixed phone

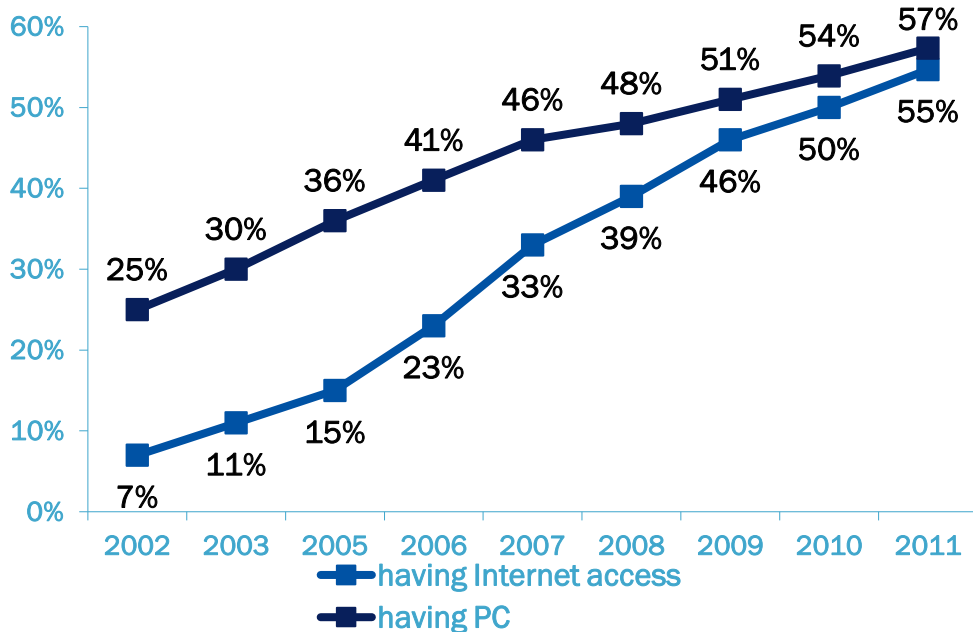
How would you substitute fixed phone?



Basis: households which would unsubscribe their fixed telephony service in case of an increase in the monthly costs

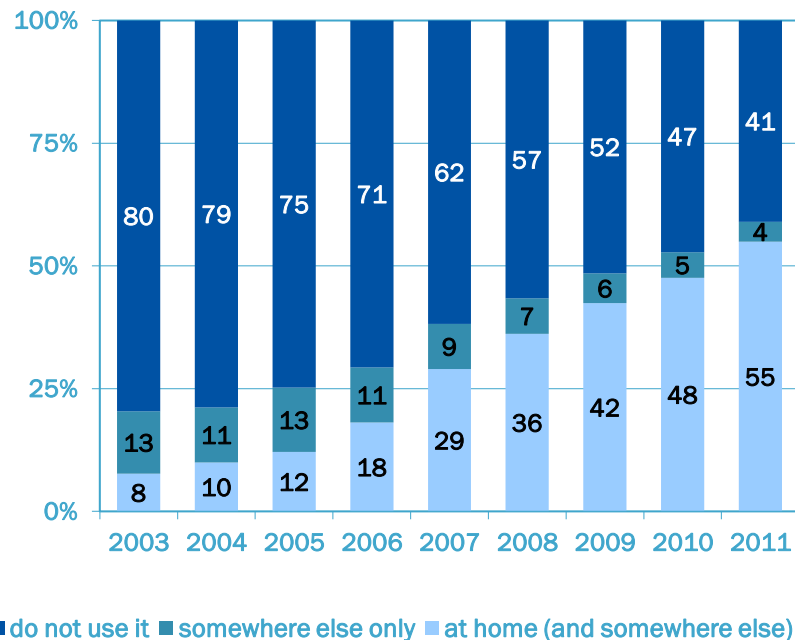
Penetration of the Internet grows faster than of PCs.
 The proportion of people using the Internet at home has been increasing: it is seven times higher than in 2003. Practically, there are not PCs without Internet any more.

PCs and Internet access in the households



Basis: all households (N=4 million)

Place of Internet usage



Basis: individuals aged 14+ (N=8.5 million)



Nearly 60% of households have a PC.

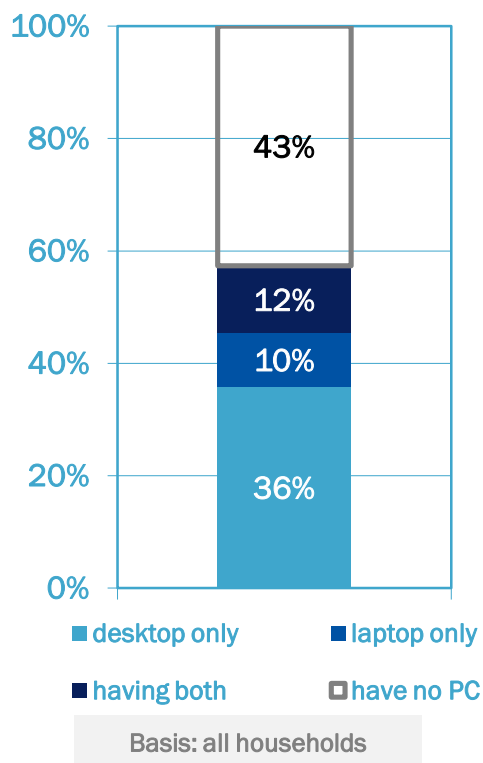
The vast majority of households having a PC subscribe for the Internet as well (2.2 million households)

2012 has been the second year already in which more households plan to buy laptops than desktops.

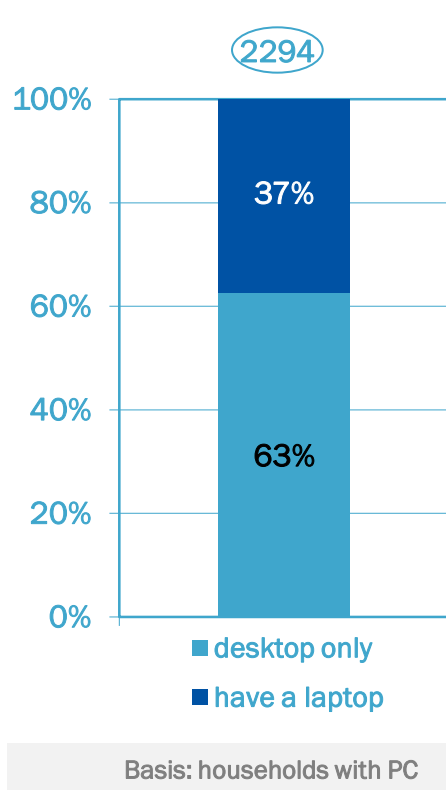
9% of households plan to buy a PC in the upcoming year.

The proportion of laptops has increased from 34 to 37% while it was just 27% in 2009.

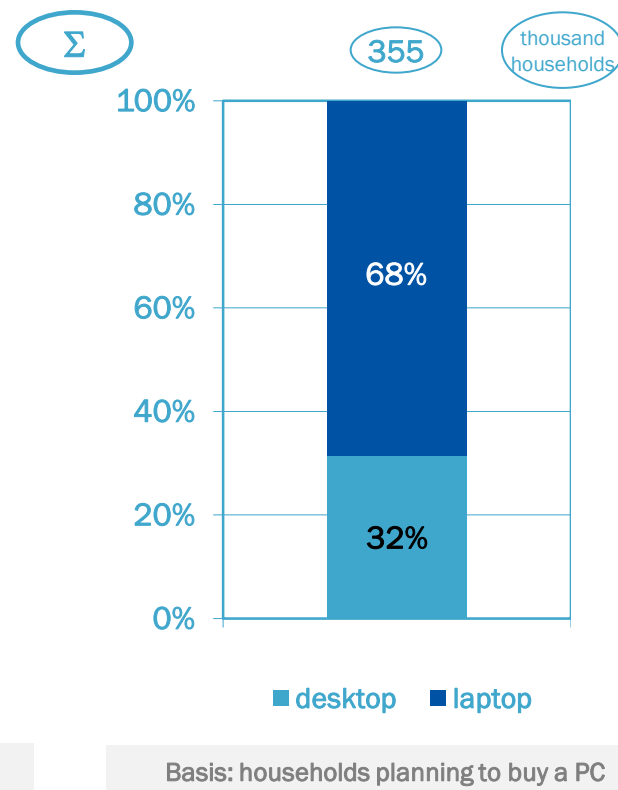
PCs in the households



Households with laptop



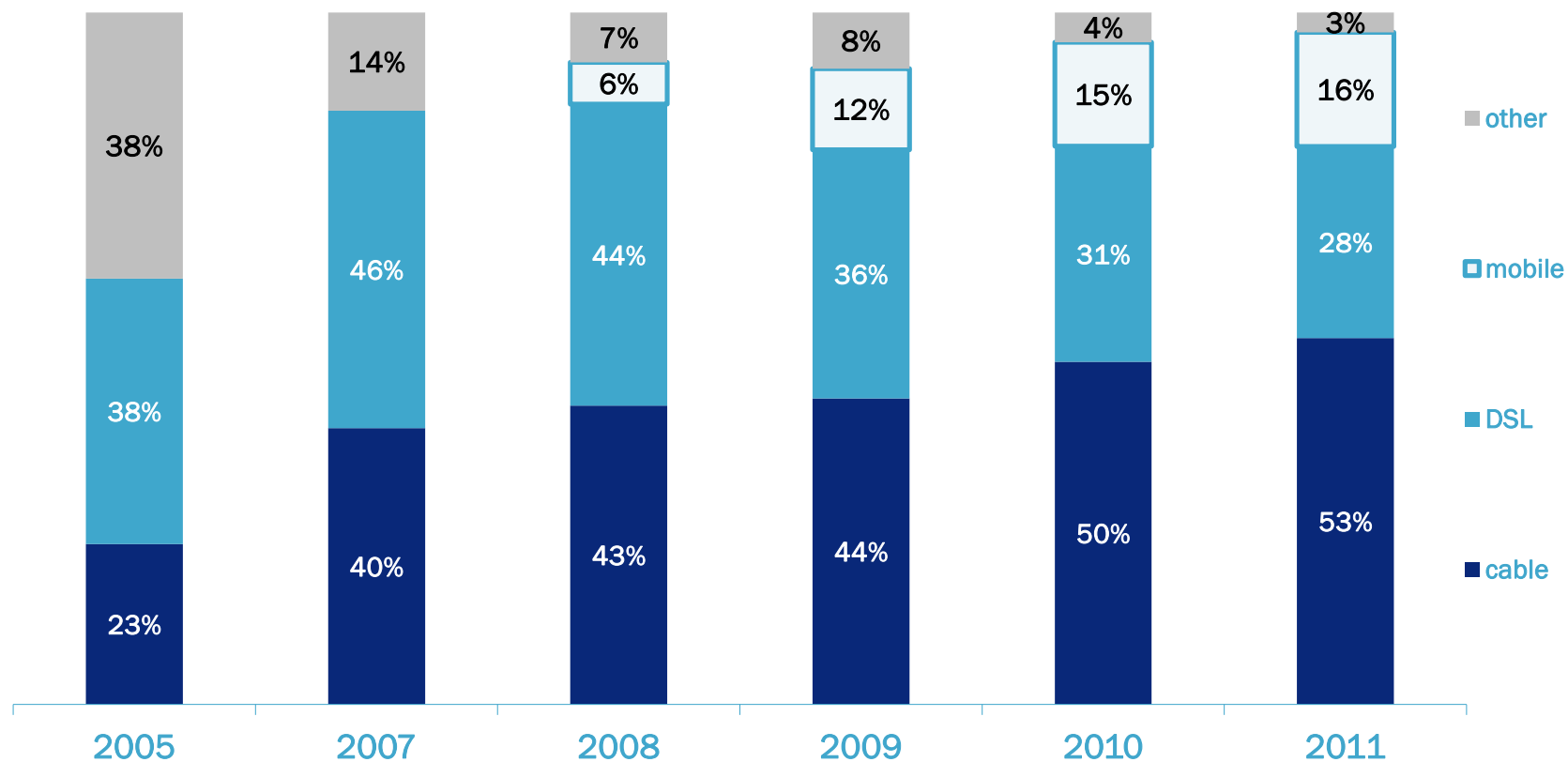
Purchasing plans



The number of DSL subscriptions has been decreasing while cable and mobile Internet accesses are more popular. One out of six Internet subscriptions has already been mobile Internet by now.



Technology of Internet accesses



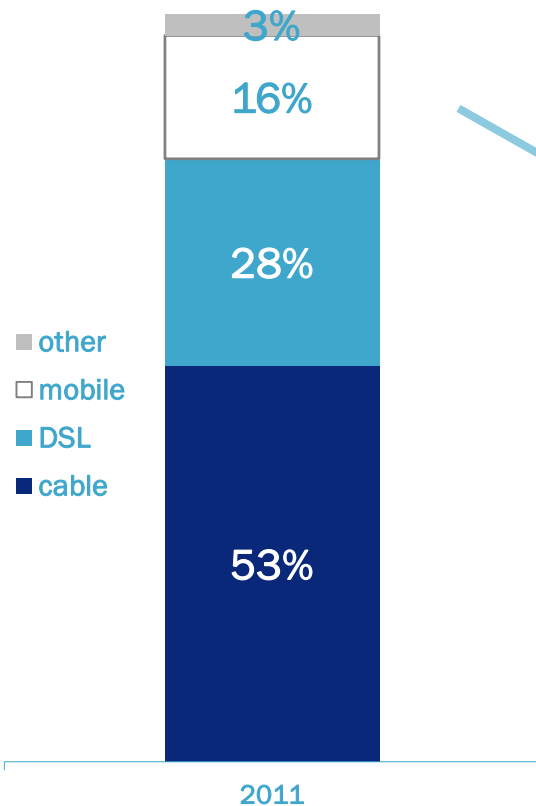
Source: NMHH surveys

Basis: all subscriptions for the Internet in a given year (N₂₀₁₁=2.33 million)



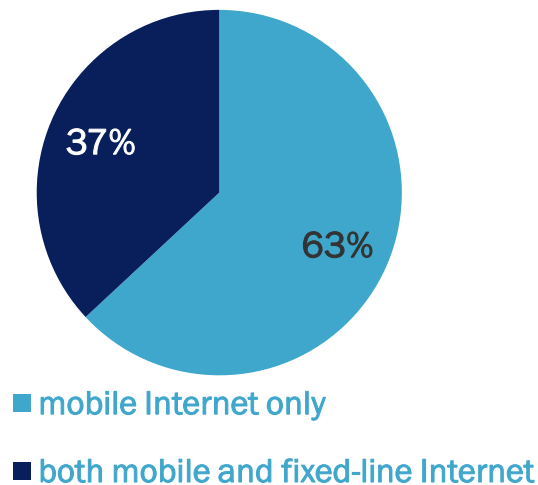
About 370 thousand households have mobile Internet (used only on PCs and laptops). Nearly 240 thousand households have access to the Internet only with this technology.

Proportion of Internet technologies



Basis: subscriptions for the Internet

Substituting vs. supplementary usage of mobile Internet

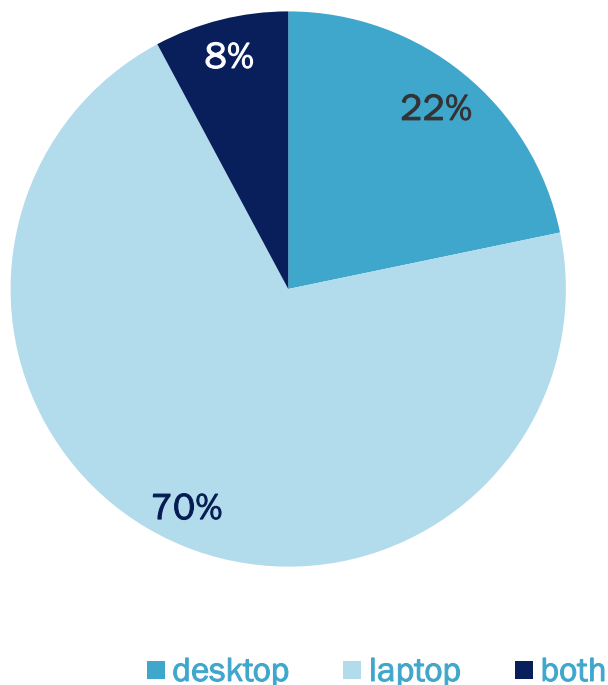


Basis: subscriptions for mobile Internet

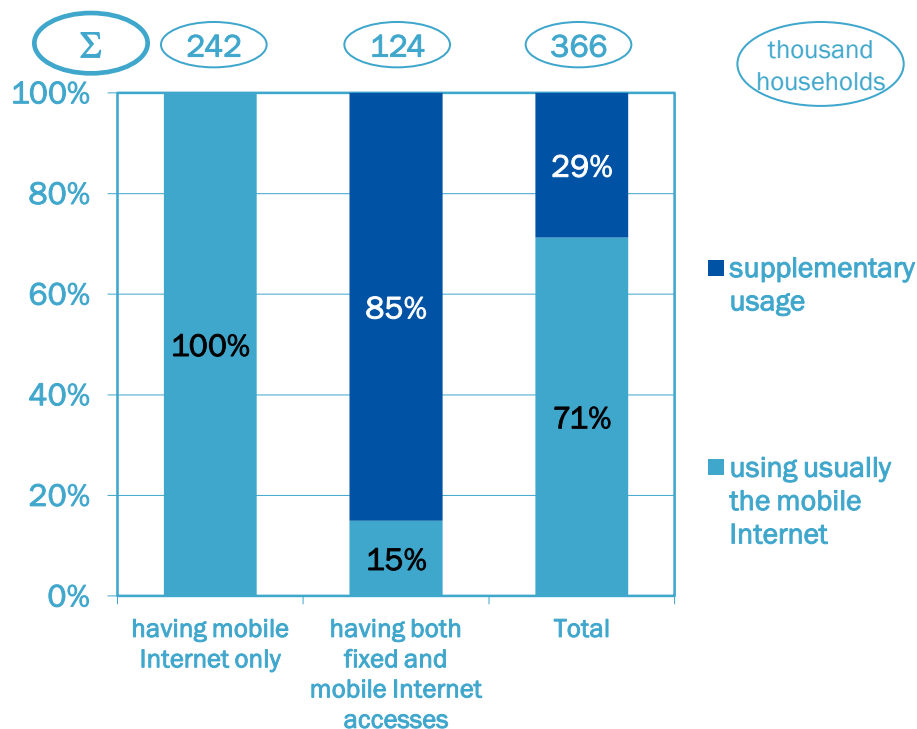


70% of mobile Internet users use this technology only on laptop – and it has increased (65% in 2010). All in all, 78% use it on laptop (or on laptop as well).

Computers used with mobile Internet



Fixed-mobile substitution

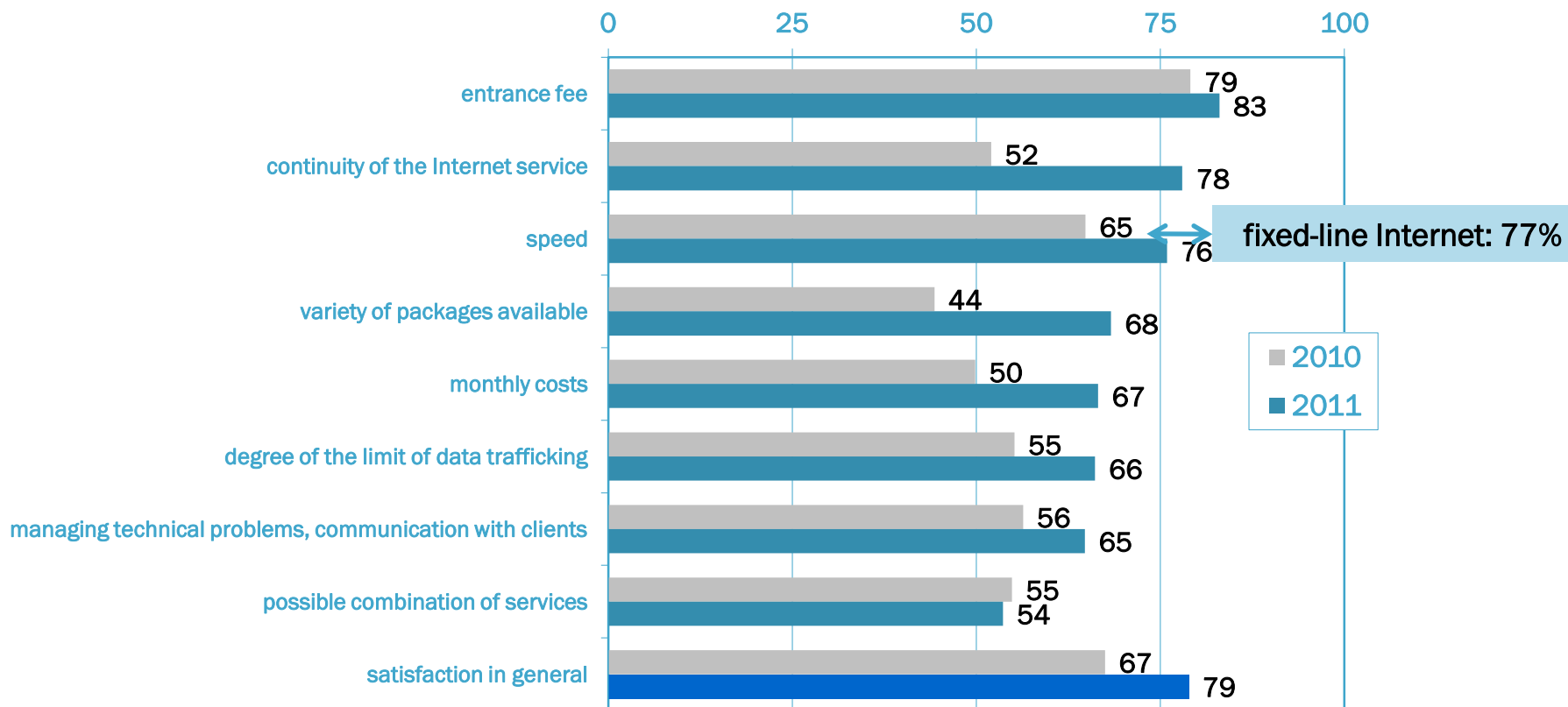


Basis: households with mobile Internet



Satisfaction of clients has been improved both in general and by each aspect since last year. While mobile Internet was lagging behind fixed-line in terms of speed, these are on the same level by now.

Satisfaction with mobile Internet (proportion of top-2-box on a 5-point scale)



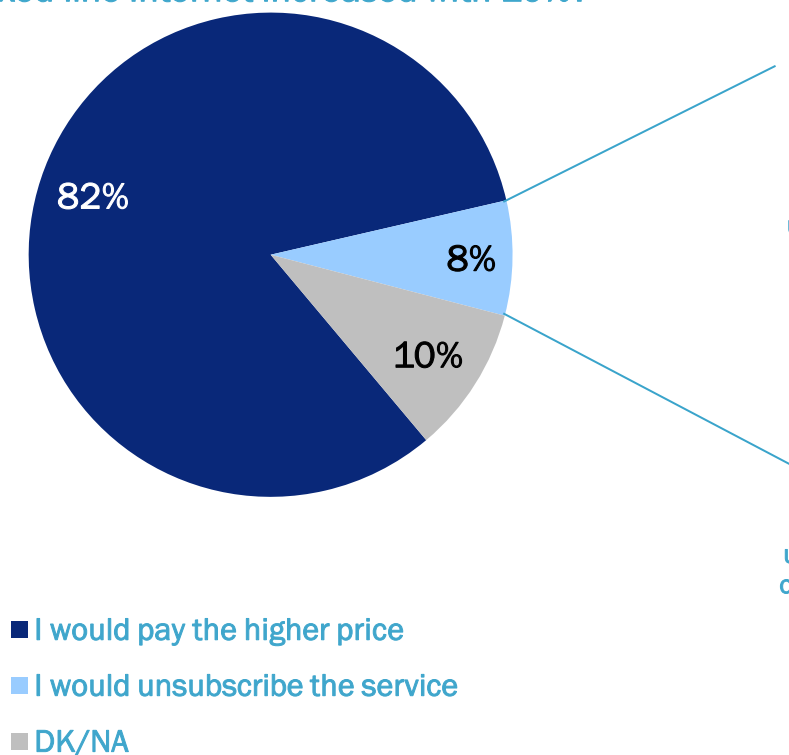
Basis: households with mobile Internet access



In case of a 10% increase of monthly costs, 8% of subscribers would unsubscribe their fixed-line Internet service.

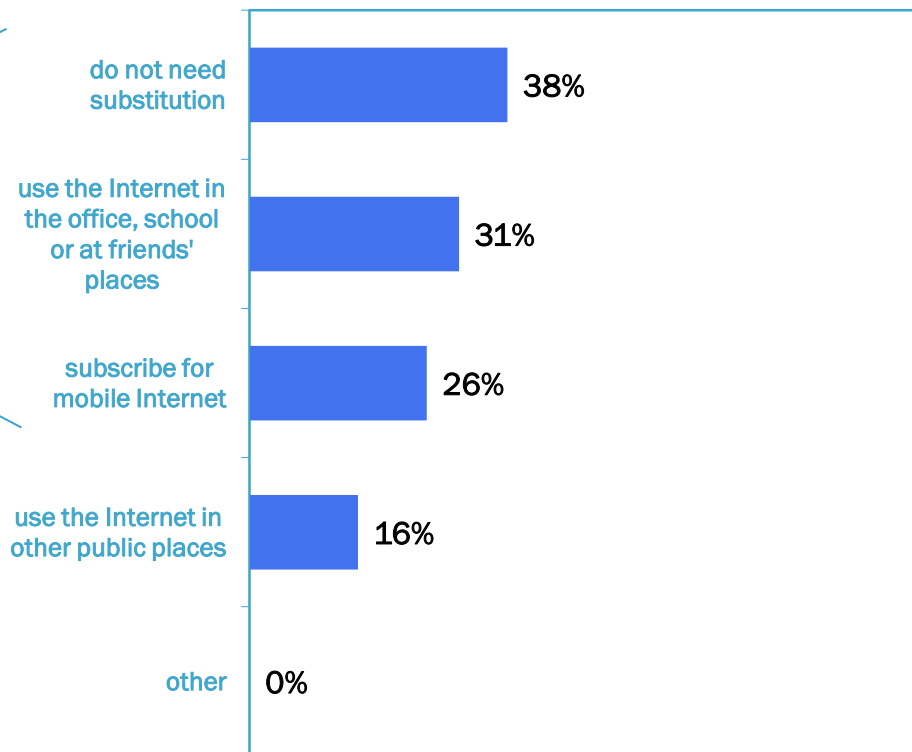
Less than 3% of subscribers would give up permanently the Internet service.

What would you do if the monthly cost of your fixed-line Internet increased with 10%?



Basis: households with fixed-line Internet

How would you substitute your fixed-line Internet?

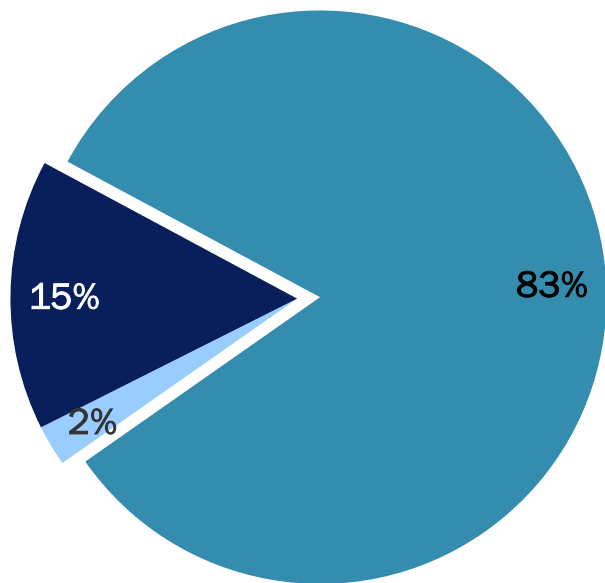


Basis: hypothetical unsubscribers N=148,000 households

83% of households subscribe for pay TV.
Cable TV is the most widespread technology. (This is a 2 percentage points increase compared to 2010.)



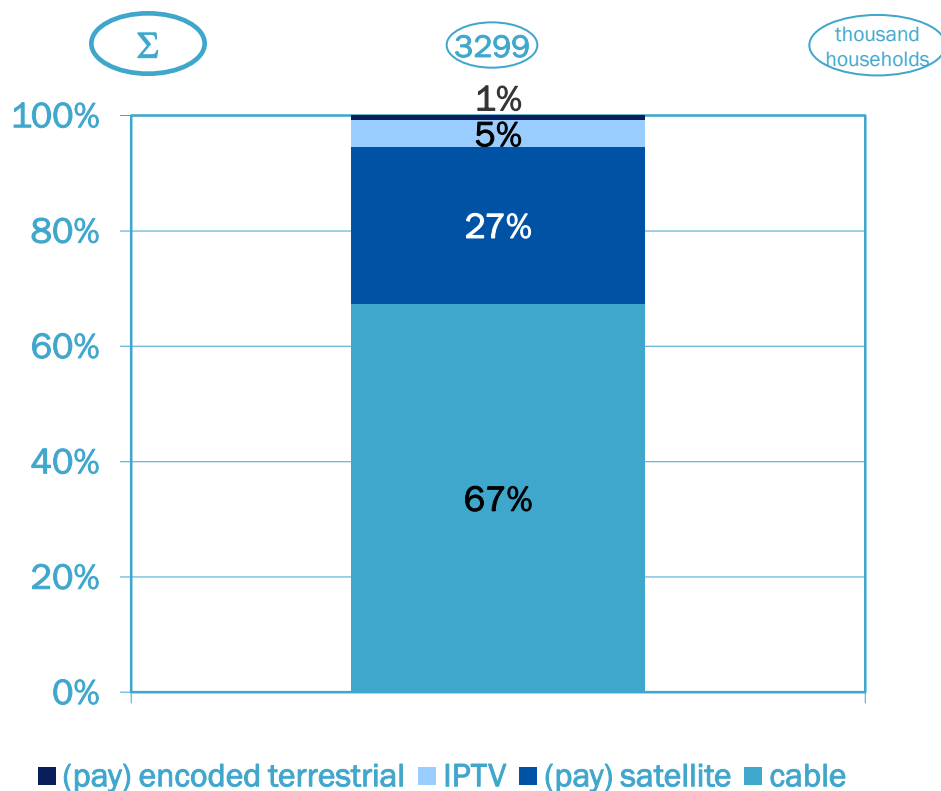
Households with pay TV



- do not have TV at all
- do not have pay TV
- pay TV

Basis: all households

Technology of pay TV



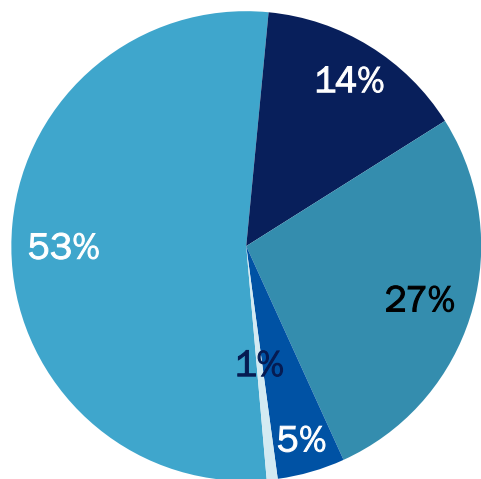
- (pay) encoded terrestrial
- IPTV
- (pay) satellite
- cable

Basis: households with pay TV



The proportion of subscriptions for digital TV increased from 43 to 47% in one year. It increased from 18 to 22% among cable TV users.
26% of households use more set-top boxes for their digital subscription.

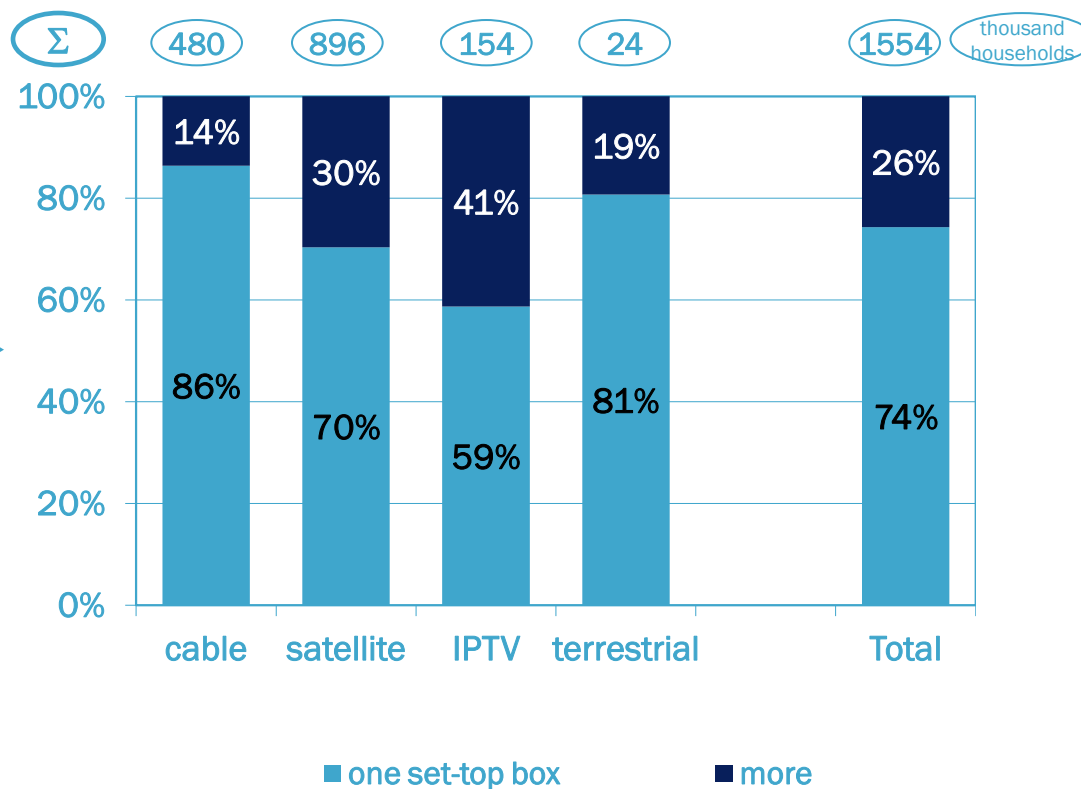
Proportion of subscriptions for digital TV



- analogue cable
- digital cable
- (digital) satellite
- (digital) IPTV
- (digital) terrestrial

Basis: households with pay TV

Number of set-top boxes used in the households

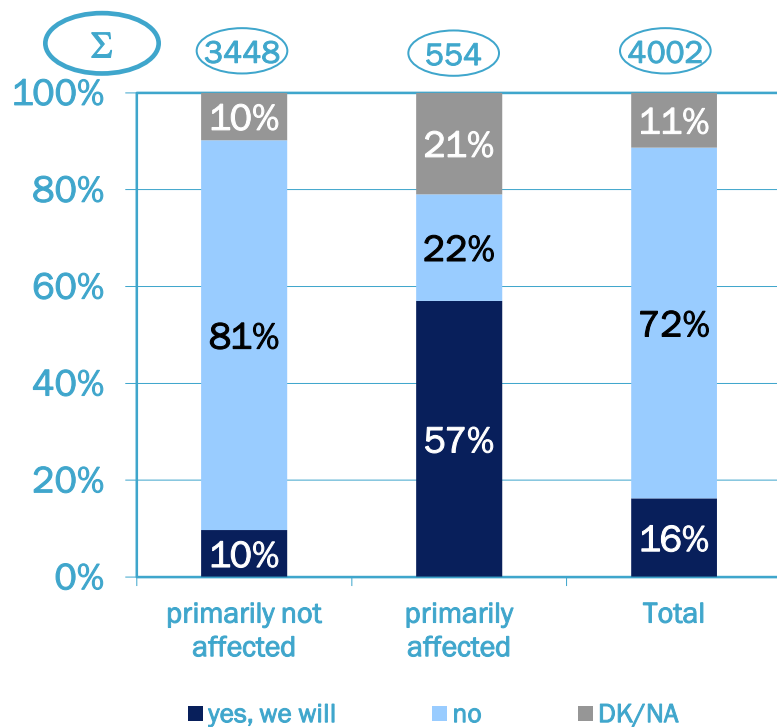


Basis: households with a subscription for digital pay TV

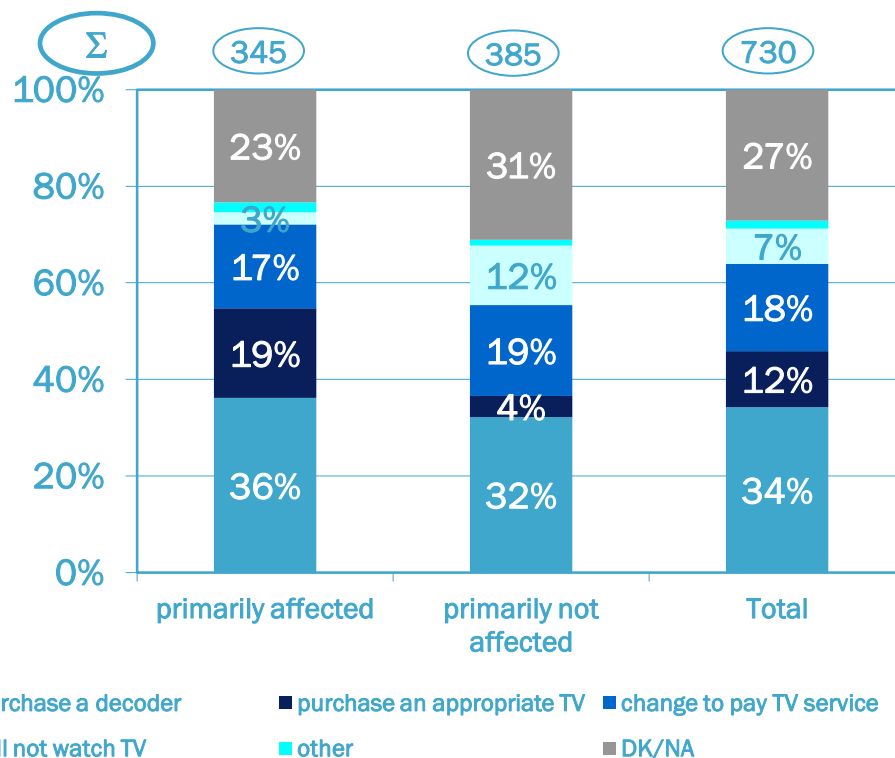


Only 57% of households primarily affected* by the digital switchover know that they will be affected by the ceasing of the analogue TV broadcast.

Will you be affected by the ceasing of traditional, analogue terrestrial TV broadcast?



What would you do in case of the ceasing of analogue TV broadcast?



Basis: all households

Basis: those who feel to be affected

*Households primarily affected do not have a subscription for pay TV, do not watch digital terrestrial TV broadcast but watch TV