



NMHH

National Media and Infocommunications
Authority • Hungary

Electronic Communication Services Usage by Businesses, 2017

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

BellResearch



Survey Methodology

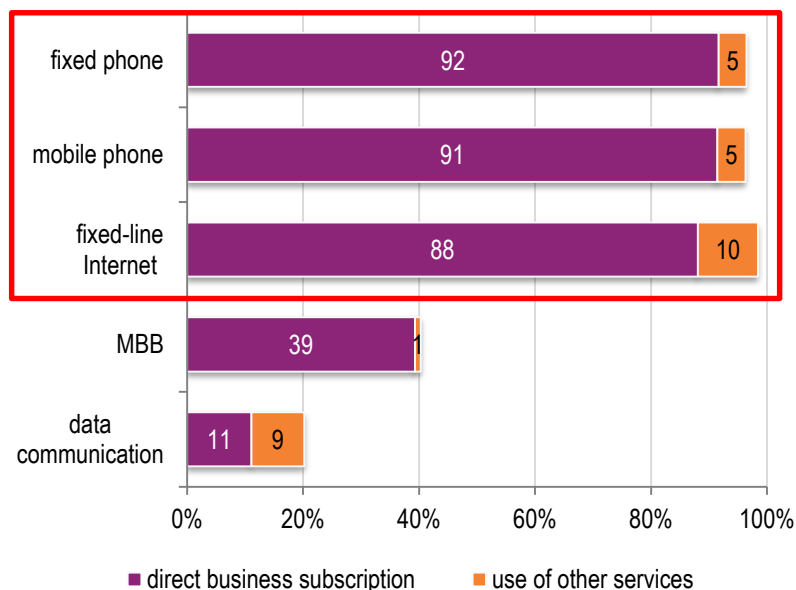
- Target groups: enterprises, public institutions and NGOs employing at least 10 persons
- Sampling: proportionally stratified by regions, not proportionally stratified by number of employees, legal form, and LTO areas. Simple random selection from each sub-segment
- Fieldwork: face-to-face interviews after contacting the interviewees by phone
- Interviewees: technical or general decision-makers in the fields of Information Technology and Telecommunications
- Number of interviews: 1552
- Fieldwork: 14th August to 27th October 2017

	Universe	Sample size	Sampling error (±%)*
Total (10+)	41,710	1552	±2.4%
Business (10+)	32,040	1055	±3.0%
Government + non-profit (10+)	9670	497	±4.3%
250+ employees	1535	302	±5.1%
50-249 employees	7402	498	±4.2%
10-49 employees	32,773	752	±3.5%

*at 95% confidence level and taking into account the statistically worst distribution: 50%

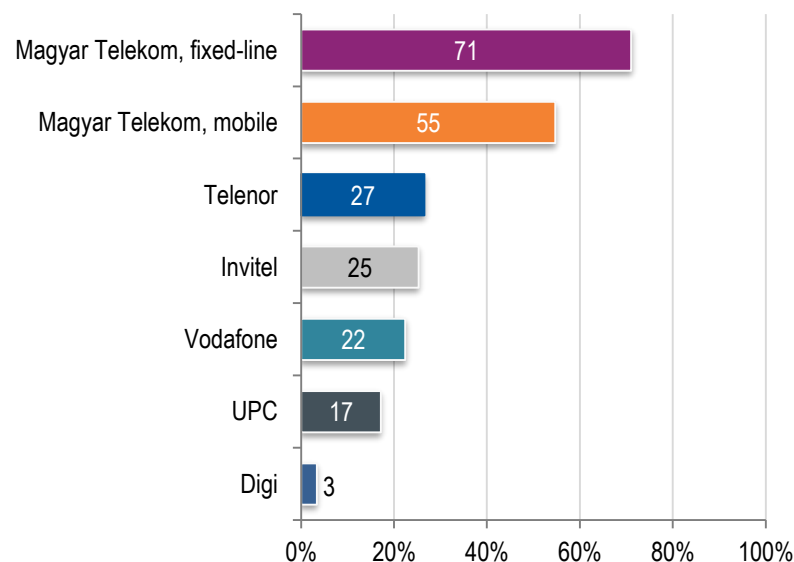
- Inaccuracies resulted from the disproportionate stratification and randomness of the fieldwork have been corrected by weighting, i.e. a mathematical-statistical procedure. Thus, our evidences represent the whole population regarding the number of employees, industry, regional distribution, LTO (incumbent operator) areas, and legal form.

Penetration of electronic communication services



Basis: all organisations, Total=41,710 [Business=32,040, Gov+NP=9670]
[250+ emp.=1535, 50-249 emp.=7402, 10-49 emp.=32,773]

Direct business subscribers of electronic communication services at the most significant service providers



Basis: organisations having at least one electronic communication service,
Total=41,327 [Business=31,824, Gov+NP=9503]
[250+ emp.=1523, 50-249 emp.=7373, 10-49 emp.=32,431]

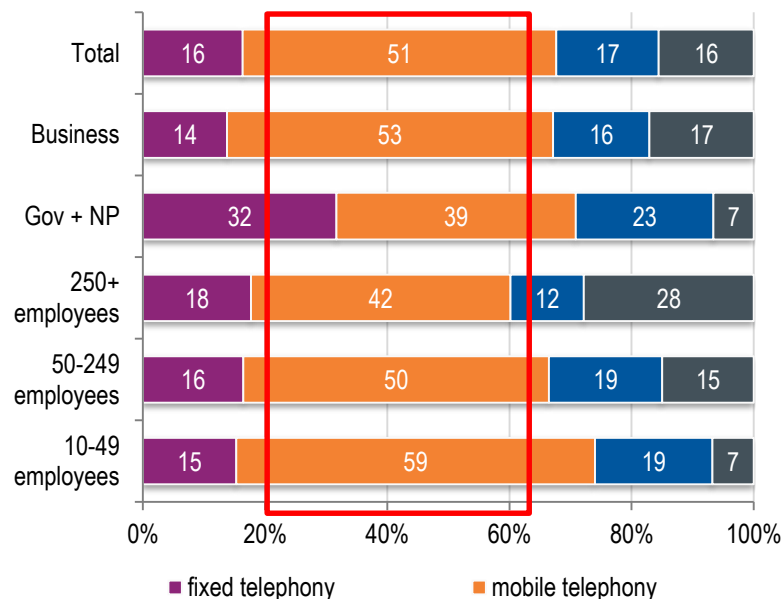
- Practically, all organisations with at least 10 employees use fixed phone, mobile phone, and fixed-line Internet while **about two-fifth have MBB service** (excluding smartphones). Only data communications services are less widespread: 20% of organisations use them.
- **Magyar Telekom** [fixed-line: c 29.4 thousand clients, mobile: c 22.6 thousand clients] have the most favourable position in the market regarding the proportion of subscribers. Telenor and Invitel have the third and fourth place with 11 and 10.4 thousand clients, respectively.

Távközlési szolgáltatások piaca 2017-ben (nettó, millió Ft/év)

	Fixed telephony	Mobile telephony	Internet	Data and business communication	Total
Business	14,989	58,208	17,233	18,617	109,046
Gov + NP	5848	7226	4166	1217	18,457
250+ emp.	7021	16,855	4756	11,046	39,678
50-249 emp.	5651	17,164	6371	5155	34,341
10-49 emp.	8164	31,415	10,271	3632	53,483
Total	20,836	65,434	21,399	19,834	127,502

Basis: organisations having at least one electronic communication service,
Total=41,327 [Business=31,824, Gov+NP=9503]
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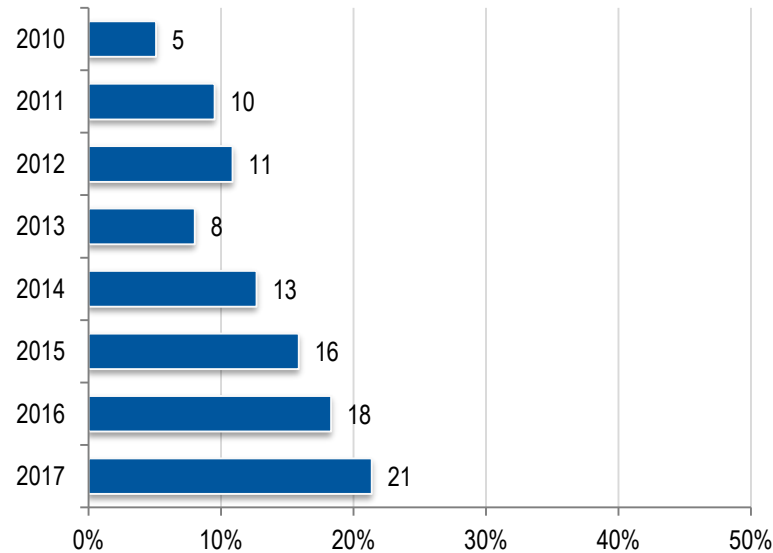
Structure of the market



Basis: total expenditure on electronic communication services in 2017 [m HUF],
Total=127,502 [Business=109,046, Gov+NP=18,457] [250+ emp.=39,678,
50-249 emp.=34,341, 10-49 emp.=53,483]

- The whole market of electronic communication services can be estimated to be about 127.5 billion HUF. Mobile telephony takes the largest part [51%] while fixed telephony makes up 16%, data communications and Internet services make up 16-17% of the market, respectively.
- Expenditure on fixed-line services are overrepresented in the public and non-profit sector. In parallel, their expenditure on mobile services makes up a lower market share.
- Expenditure on data communication services of organisations with 250+ employees contributes above average to the whole market.

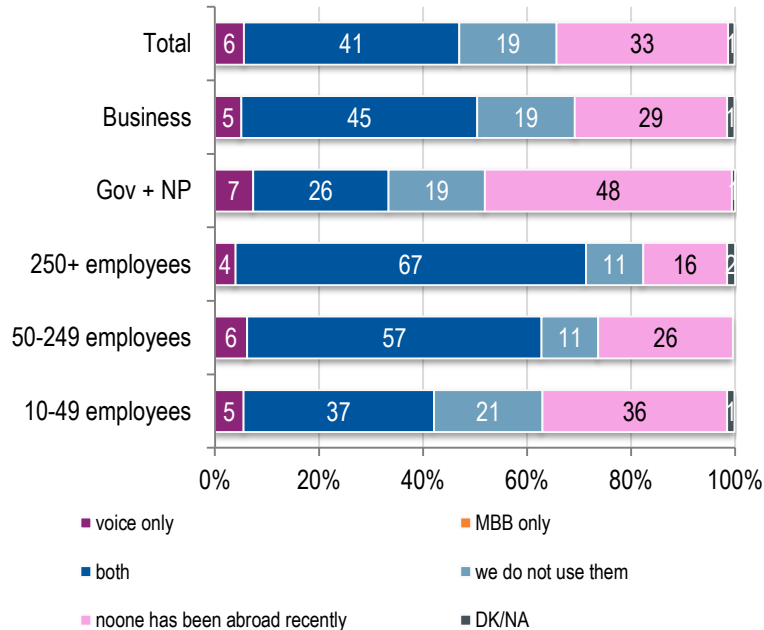
Market share of VoIP services (%)



Basis: total expenditure on fixed telephony, varies by year

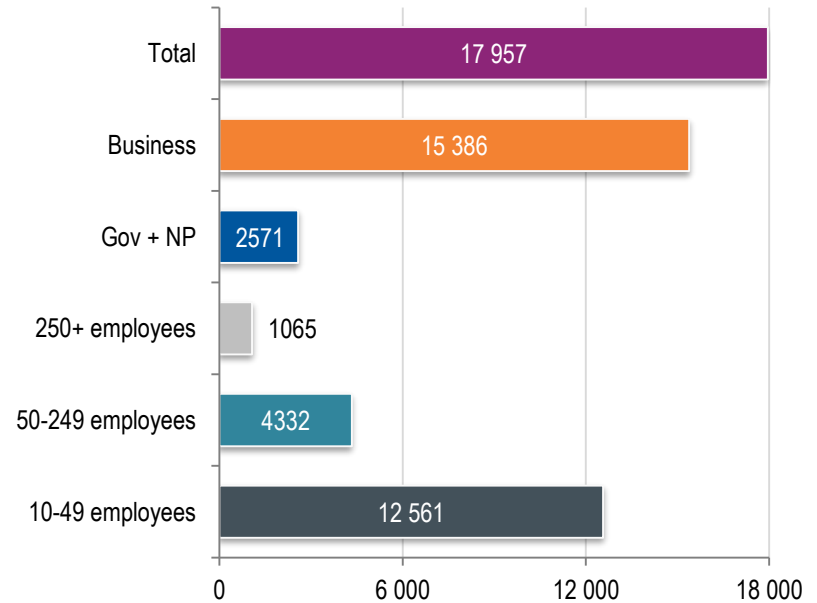
- **VoIP services are more and more significant** and what is more, it may be anticipated that incumbent operators will sooner or later start mass migration of subscribers from PSTN to VoIP.

Do you use business mobiles abroad for business purposes?



Basis: organisations with direct subscription for mobile phone
 Total=38,140 [Business=30,433, Gov+NP=7706] [250+ emp.=1492, 50-249 emp.=6899, 10-49 emp.=29,749]

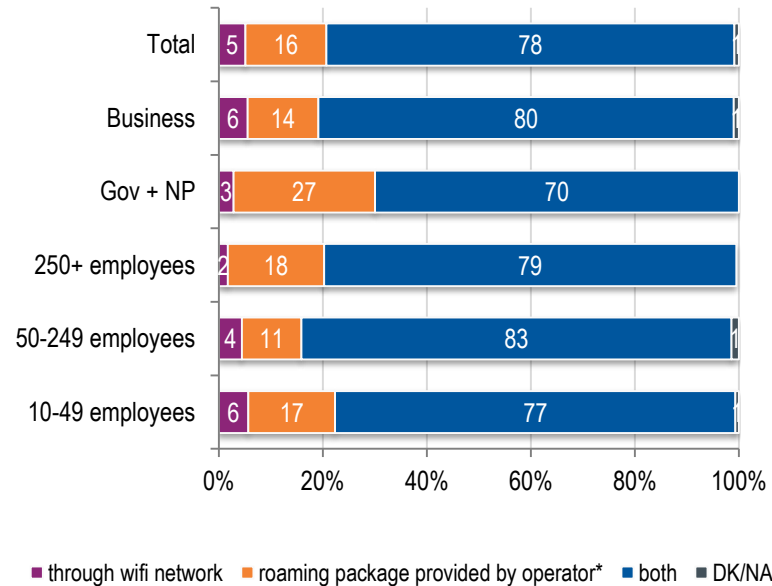
Roaming [number of organisations]



Basis: organisations with direct subscription for mobile phone
 Total=38,140 [Business=30,433, Gov+NP=7 706] [250+ emp.=1492, 50-249 emp.=6899, 10-49 emp.=29,749]

- 47% of organisations [c.18,000 organisations] use business mobiles abroad for business purposes. Roaming is the most widespread among organisations with 250+ employees [71%, c. 1100 organisations]. There is a correlation between the number of employees and the proportion of roaming usage.

How do you use your mobile phones abroad?

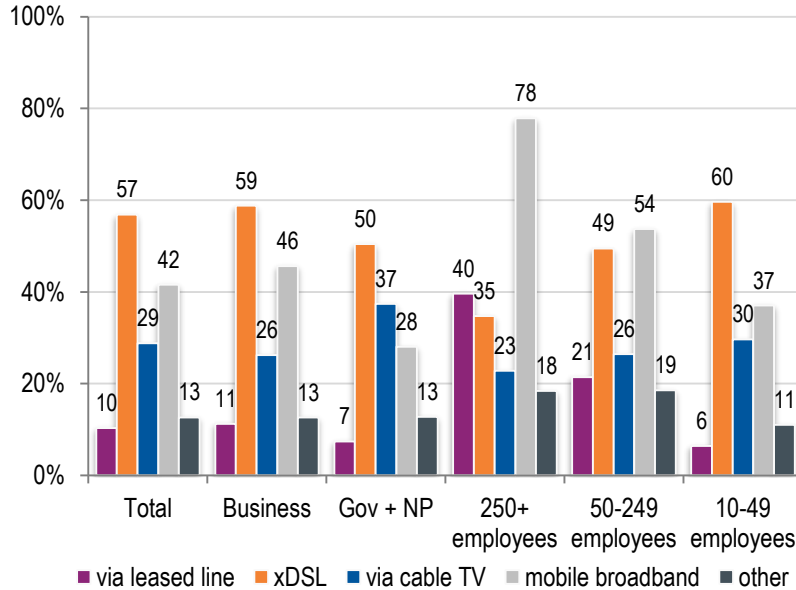


Basis: organisations roaming abroad, Total=17,957 [Business=15,386, Gov+NP=2571] [250+ emp.=1065, 50-249 emp.=4332, 10-49 emp.=12,561]

- About four-fifth of organisations roaming abroad **use both local wifi network and a roaming package provided by their operator**. It is a bit less likely among public and non-profit organisations. Although, the proportion of wifi users is much lower than of those using roaming package in all segments.
- The proportion of roaming users accessing the Internet via wifi only or MBB only have decreased while of those **using both technologies have significantly increased** compared to the year before.

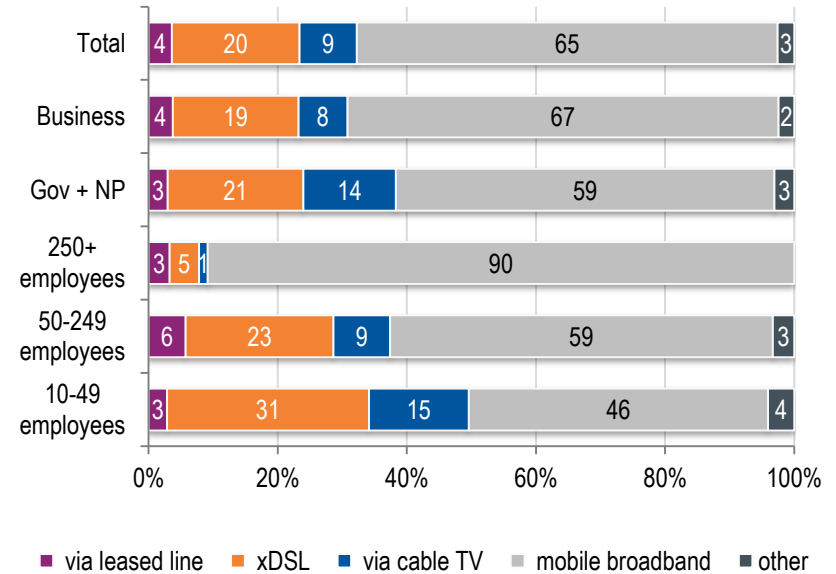
*Because of the changes in European regulation on mobile roaming in June 2017, respondents might have perceived their mobile usage abroad as using a roaming package provided separately from their basic mobile package

Penetration of Internet technologies



Basis: organisations with direct subscription for the Internet, Total=39,416 [Business=30,297, Gov+NP=9119] [250+ emp.=1481, 50-249 emp.=7088, 10-49 emp.=30,847]

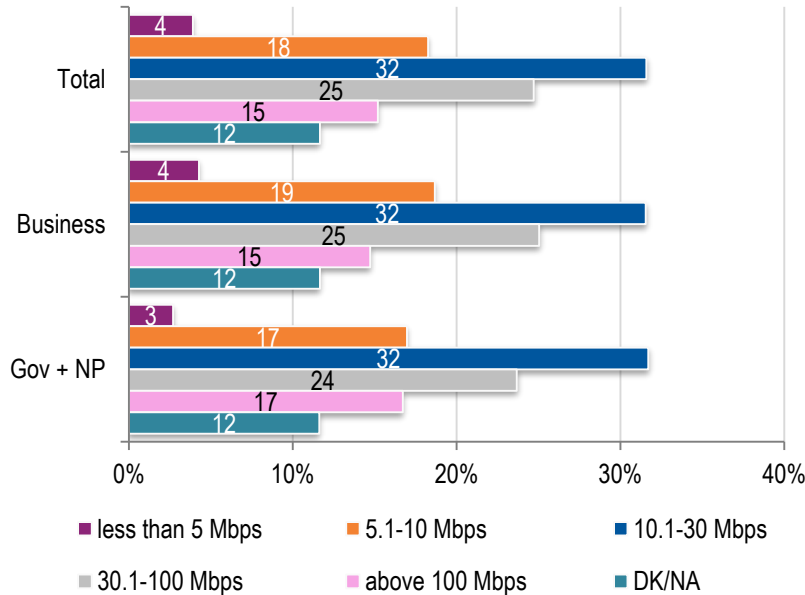
Shares of direct subscriptions for the Internet by technology



Basis: number of direct subscriptions for the Internet, Total=195,635 [Business=157,481, Gov+NP=38,154] [250+ emp.=71,690, 50-249 emp.=39,802, 10-49 emp.=84,143]

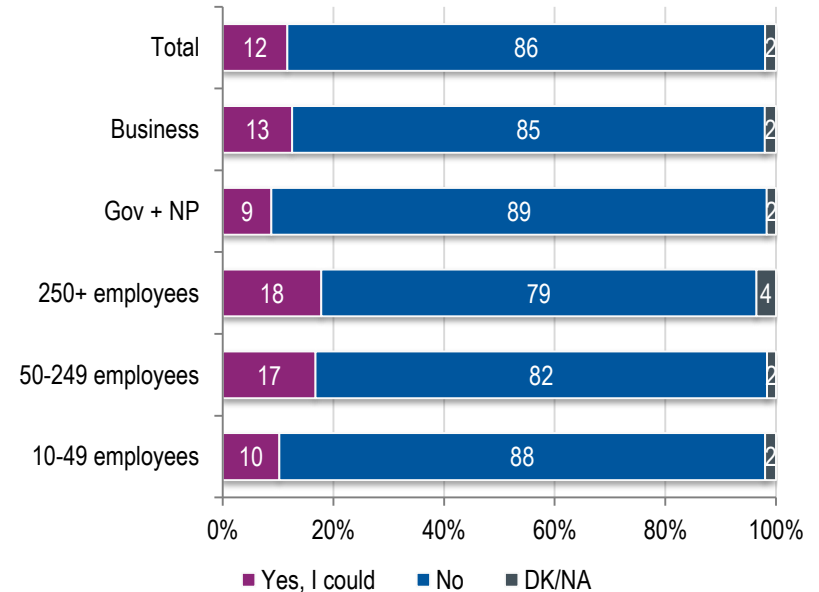
- Regarding the shares of organisations with direct subscription, **DSL is still the most widespread access technology [57%]**, but in case of organisations with more than 249 employees, penetration of mobile Internet has been already higher [78%].
- Regarding the number of direct subscriptions, mobile broadband makes up the majority while DSL, although being the leading technology, takes up only 20%. It is important to add, however, that **MBB is rather for individual usage** while other technologies ensure simultaneous Internet access for a bigger amount of users.

Maximum speed of fixed-line Internet subscriptions



Basis: organisations with direct subscription for fixed-line Internet, Total=36,741
[Business=28,061, Gov+NP=8680]

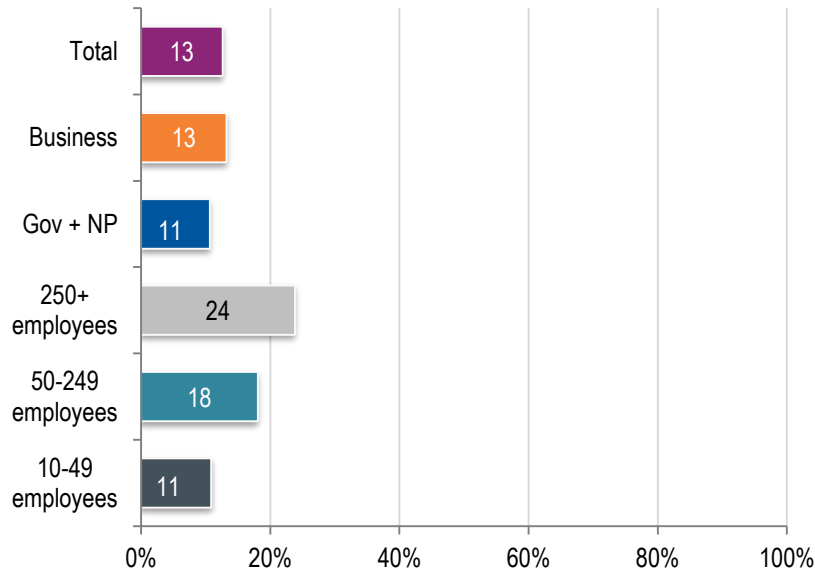
Could you imagine that the organisation will upgrade to a package with higher speed in the following 12 months?



Basis: organisations with direct subscription for fixed-line Internet, Total=36,741
[Business=28,061, Gov+NP=8680] [250+ emp.=1265, 50-249 emp.=6631, 10-49 emp.=28,845]

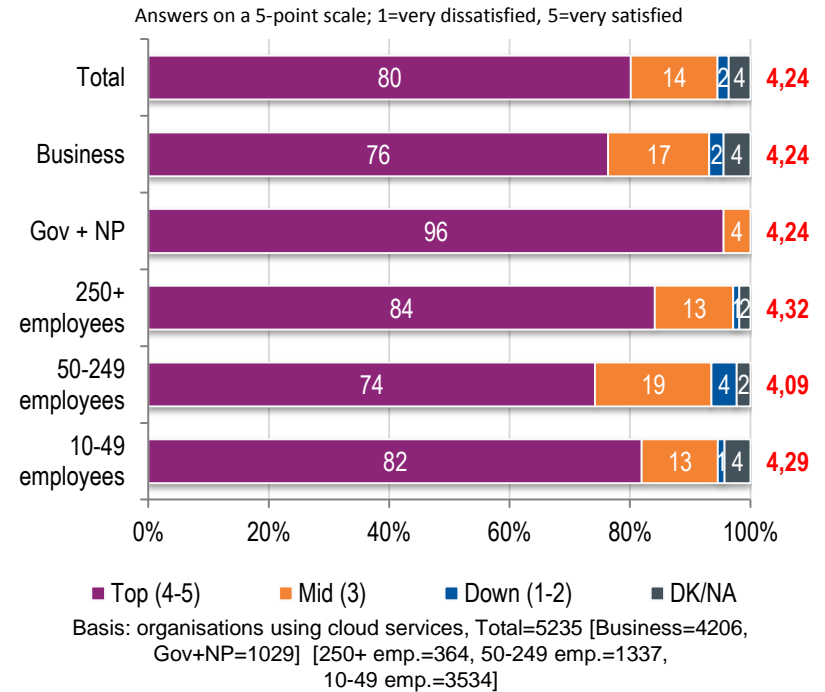
- 68% of organisations having a direct subscription for fixed-line Internet connection have more than 10 Mbps as maximum speed in their package while only 4% have a maximum speed up to 5 Mbps. Maximum download speed of Internet subscriptions has increased this year.
- 86% of organisations could not imagine to switch to an Internet package with higher speed in the next 12 months.
- 18% of organisations with 250+ employees plan to upgrade their Internet package.

Use of cloud services



Basis: organisations with Internet subscription, Total=41,546 [Business=31,876, Gov+NP=9670] [250+ emp.=1529, 50-249 emp.=7402, 10-49 emp.=32,616]

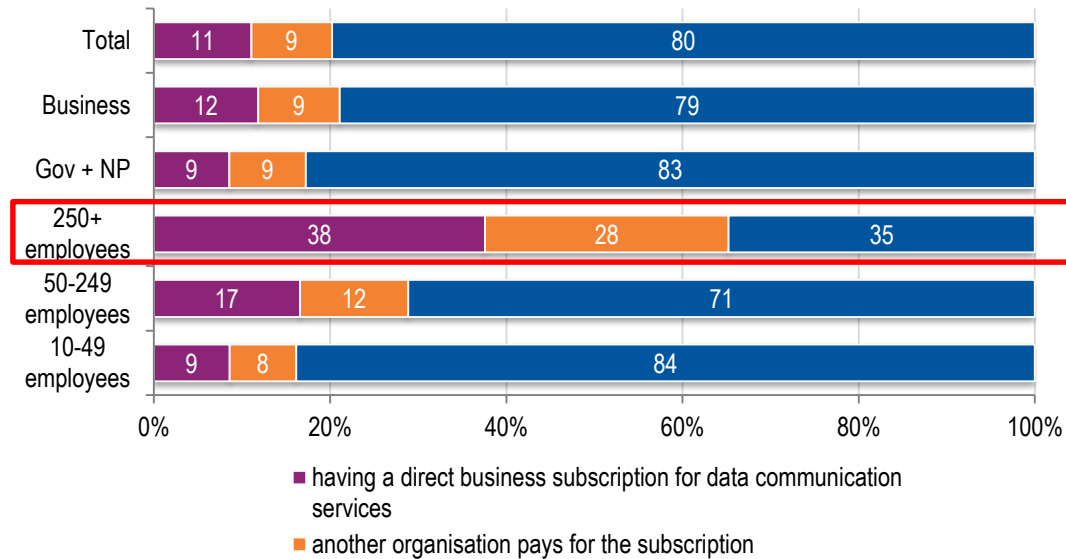
Satisfactions with support and problem handling of service providers in case of cloud services?*



- **Cloud technology solutions could not gain much popularity** among organisations with at least 10 employees yet: one out of seven or eight organisation uses cloud services. Penetration could rise (8%→13%), however, and one quarter of organisations with 250+ employees have already applied cloud technology solutions.
- The vast majority (80%) of organisations using cloud services are **very satisfied with the support and problem resolution procedures offered by their providers.**

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

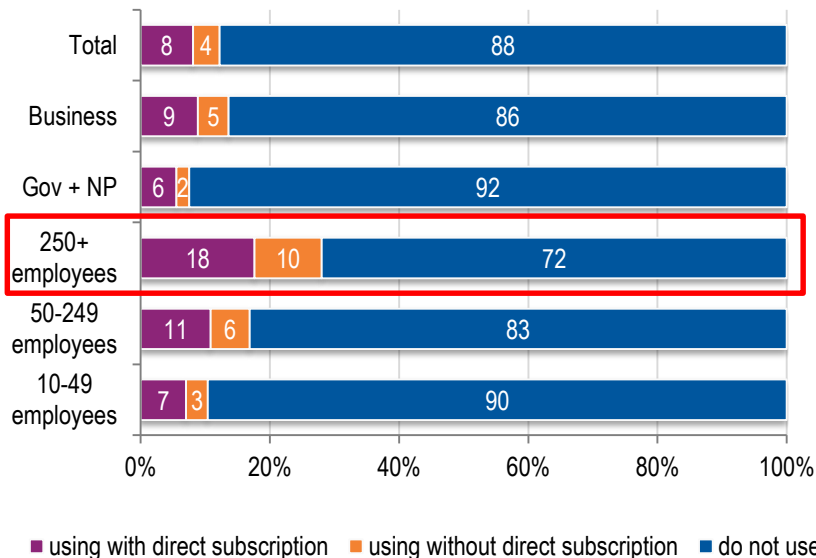
Subscription and usage



Basis: all organisations, Total=41,710 [Business=32,040, Gov+NP=9670]
 [250+ emp.=1535, 50-249 emp.=7402, 10-49 emp.=32,773]

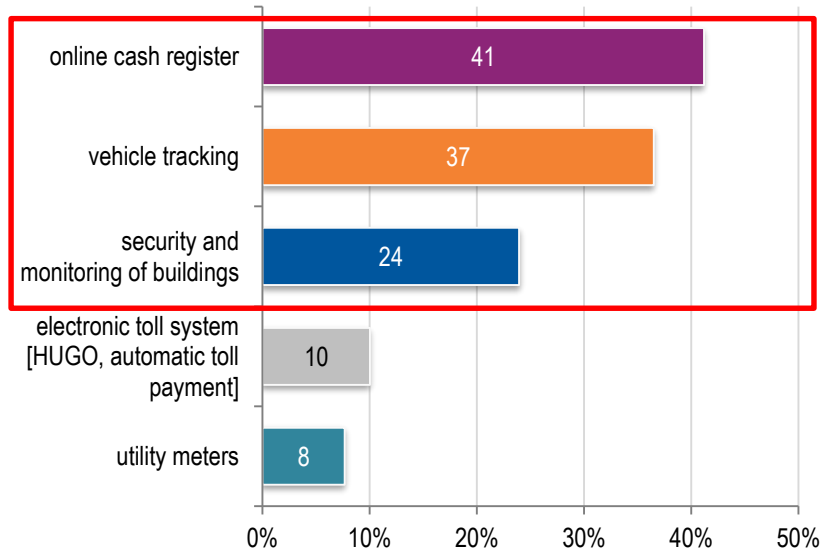
- 11%, i.e. about 4.6 thousand businesses, public institutions, and non-profit organisations with 10+ employees use data transfer services with direct subscription.
- Another 9% of the respective organisations use the subscription of another organisation or have a solution of their own.

Subscription and usage of M2M communication cards



Basis: all organisations, Total=41,710 [Business=32,040, Gov+NP=9670]
[250+ emp.=1535, 50-249 emp.=7402, 10-49 emp.=32,773]

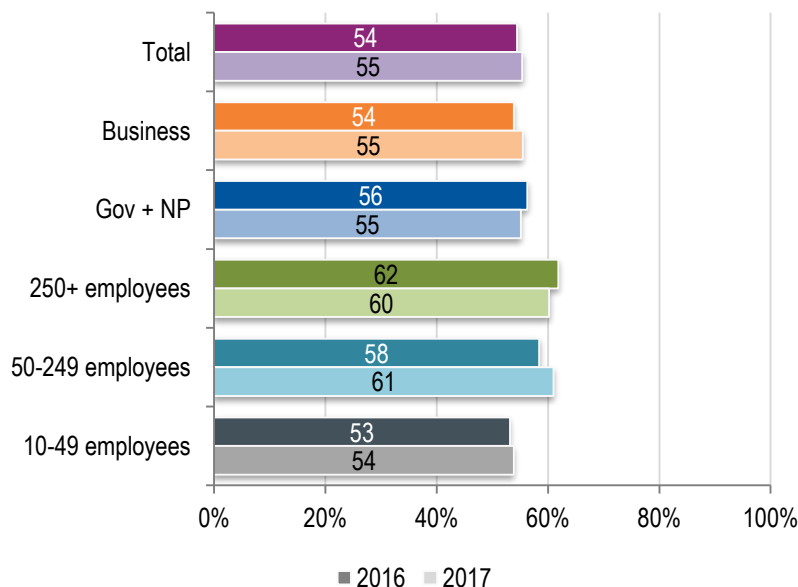
„Machine-to-machine”-adatkártya-használat fő területei (Top 5)



Basis: organisations with subscription for machine-to-machine communication cards, Total=5089 [Business=4363, Gov+NP=725] [250+ emp.=430, 50-249 emp.=1248, 10-49 emp.=3411]

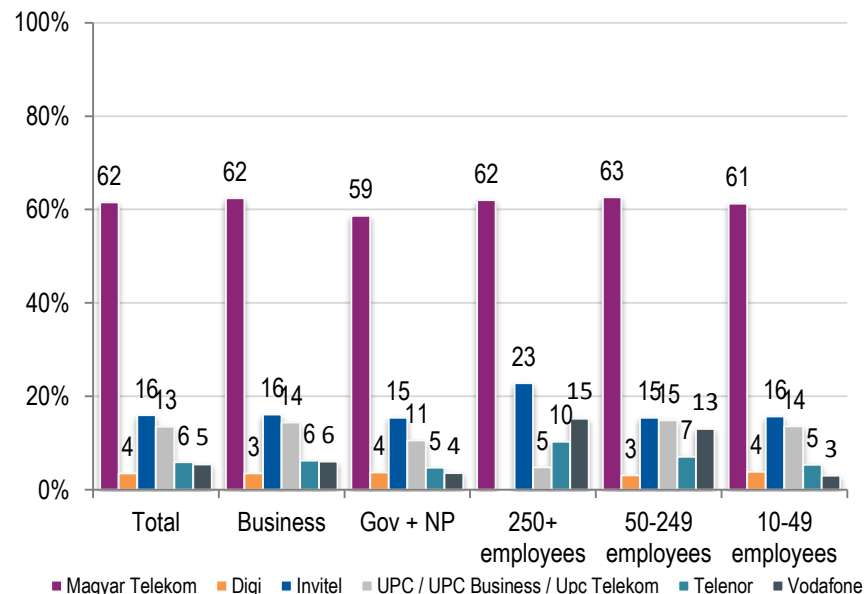
- 12%, i.e. 5100 organisations use machine-to-machine communication cards while 8% have a direct subscription.
- Organisations use M2M SIM cards mostly for operating online cash registers, for vehicle tracking and security and monitoring of buildings.

Penetration of bundles



Basis: all organisations, Total=41,710 [Business=32,040, Gov+NP=9670, [250+ emp.=1535, 50-249 emp.=7402, 10-49 emp.=32,773]

Relation to service providers



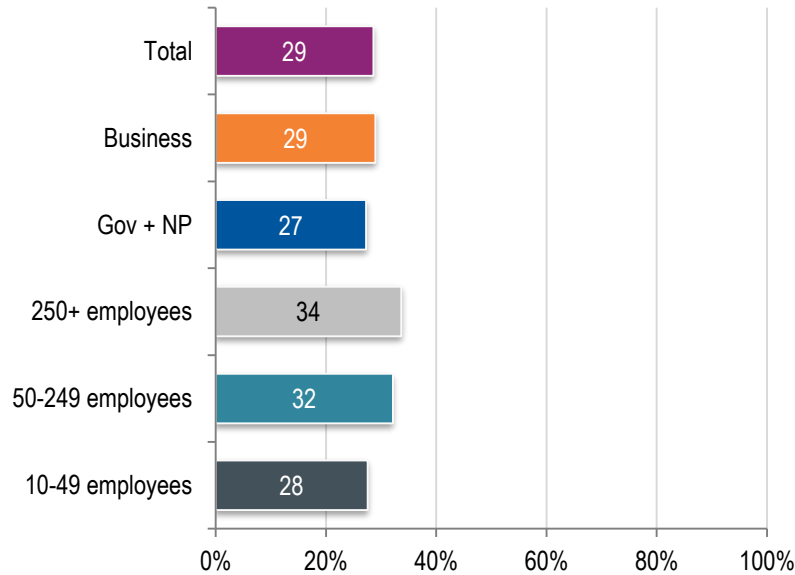
Basis: organisations having services in bundle, Total=23,099 [Business=17,767, Gov+NP=5332] [250+ emp.=924, 50-249 emp.=4515, 10-49 emp.=17,660]

- **55%** of organisations with at least 10 employees use electronic communication services in bundle. It means **about 23.1 thousand** enterprises, public institutions, and non-profit organisations. This proportion has not changed compared to the year before.
- **Two thirds** of organisations using bundled services are clients of **Magyar Telekom**. 16% subscribe for bundled services at Invitel.
- UPC has already been emerging, but Telenor, Vodafone, and Digi still have a lower number of clients with bundled services.



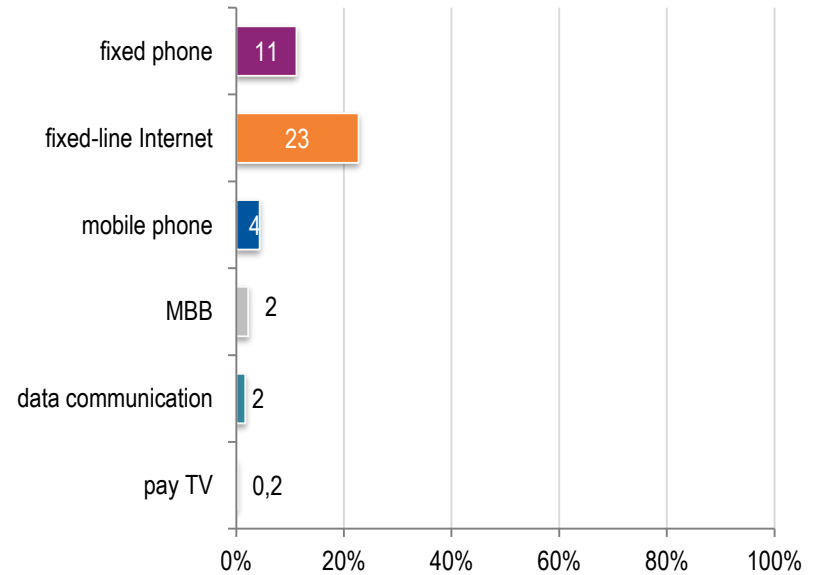
Consumer Complaints | Problem with Services

Experienced any problem with electronic communication services in the last 12 months



Basis: all organisations, Total=41,710 [Business=32,040, Gov+NP=9670] [250+ emp.=1535, 50-249 emp.=7402, 10-49 emp.=32,773]

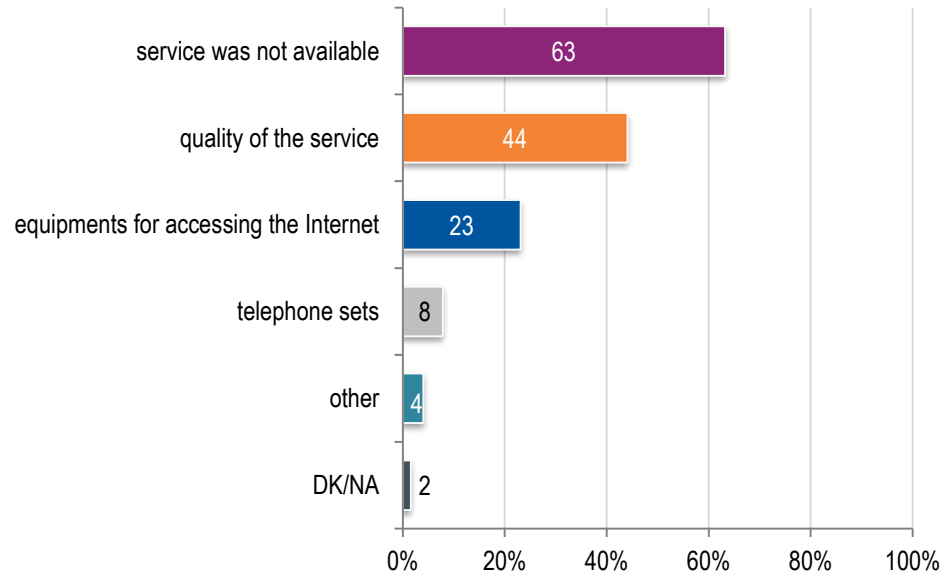
Problems experienced in the last 12 months by services



Basis: all organisations, Total=41,710 [Business=32,040, Gov+NP=9670] [250+ emp.=1535, 50-249 emp.=7402, 10-49 emp.=32,773]

- About **one third** of organisations **experienced some kind of problem** with electronic communication services during the year before the survey.
- More organisations perceived problems with **fixed-line Internet** and **fixed phone** while mobile telephony caused less annoyances, according to consumers.

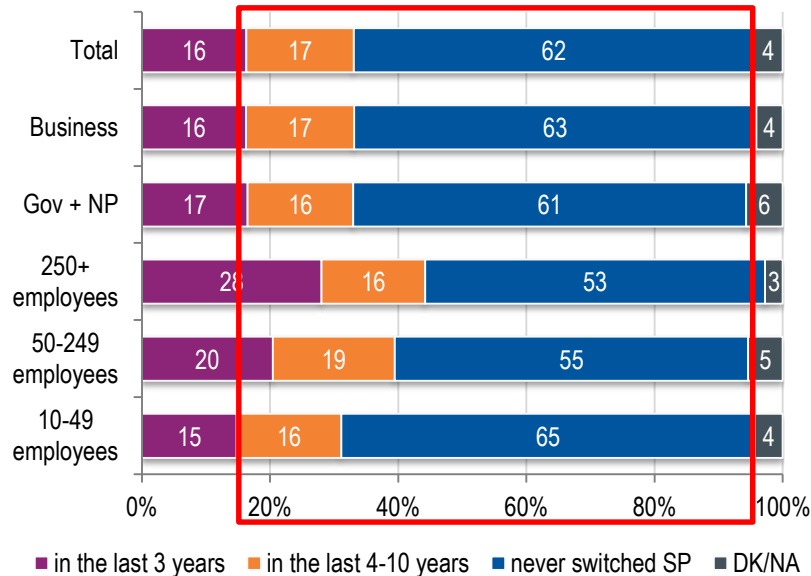
If you had any complaint(s), what was it about?



Basis: organisation experienced any problem

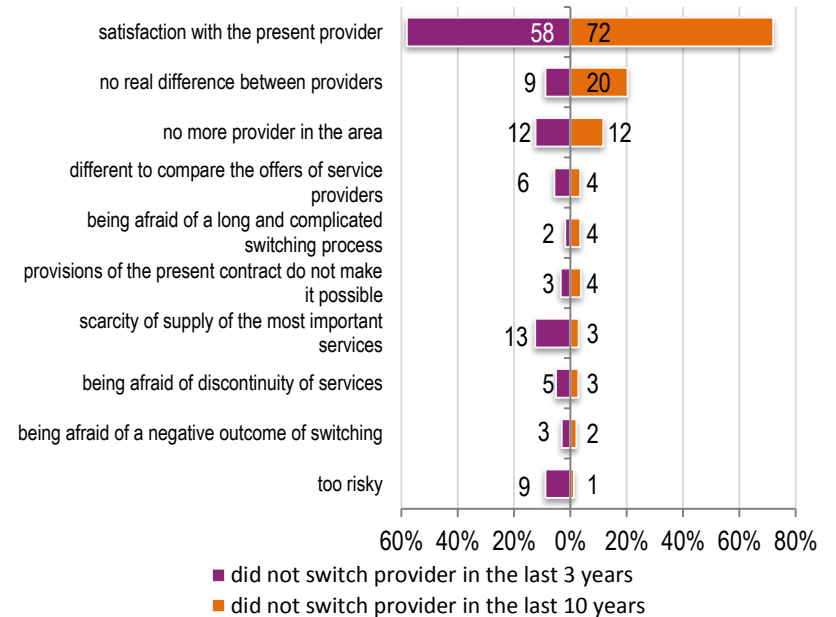
- The majority of complaints of the respective organisations cover the **availability and quality of electronic communication services**. Besides, one out of four organisations had problems with their equipments for accessing the Internet.

Switching electronic communication service provider in the last 3/10 years



Basis: all organisations, Total=41,710 [Business=32,040, Gov+NP=9670], [250+ emp.=1535, 50-249 emp.=7402, 10-49 emp.=32,773]

Reason for not switching electronic communication service provider in the last 3/10 years (Top 10)



Basis: organisations not having switched provider in the last 3 years, Total=7005, organisations not having switched provider in the last 10 years, Total=26,036

- 16% of organisations switched communication service provider in the last 3 years. Another 17% did not switch in the last 3 years but during the last decade. As a result, **the majority of organisations have been clients of the same service provider from the beginning or for more than 10 years.**
- The main reason of organisations against switching provider is their **satisfaction with the present operator.** Hard dimensions (lack of supply of important services or providers) discourage organisations from switching more often in the short term while organisations not having switched in the last 10 years do not perceive real differences between providers.