

Research on Electronic Communications Services Users, 2019 | Business Experiences

Presentation for the National Media and Infocommunications Authority

(Hungarian abbreviation: NMHH)

BellResearch Ltd.

Survey Methodology

- **Background of the Survey:**

- BellResearch Ltd. conducted this survey for NMHH on use, experience of, and attitudes towards electronic communications (including postal) services among SMEs and large enterprises. The basic sample is supplemented with a subsample of public and non-profit organisations. Following the market trends, focus of this research was shifted from market size in the previous years to **usage and attitudes [U&A]**.



- **Target Groups:**

- **Enterprises with 10+ employees** and a small supplementary sample of public and non-profit organisations.



- **Methodology:**

- Proportionally stratified sampling by number of employees, legal form, industry sector, and region, then, simple random sampling from each subsegment.
- The survey was undertaken using **laptop aided personal interviewing [CAPI]**.
- Interviews were taken with the person with primary responsibility for finances, IT or telecoms.
- Number of interviews: **1719**. Fieldwork lasted from **28th October, 2019** to **31st January, 2020**.



- **Universe:**

- Number of organisations with 10+ employees in Hungary: **48,231**. The survey is representative of this business universe.

	Universe [N]	Sample size [n]	Sampling error [±%]*
Total 10+	48,231	1719	2.32
Business	38,233	1615	2.39
Gov + NP	9998	104	9.61
250+ employees	1644	147	7.74
50-249 employees	7468	242	6.21
10-49 employees	39,119	1330	2.64

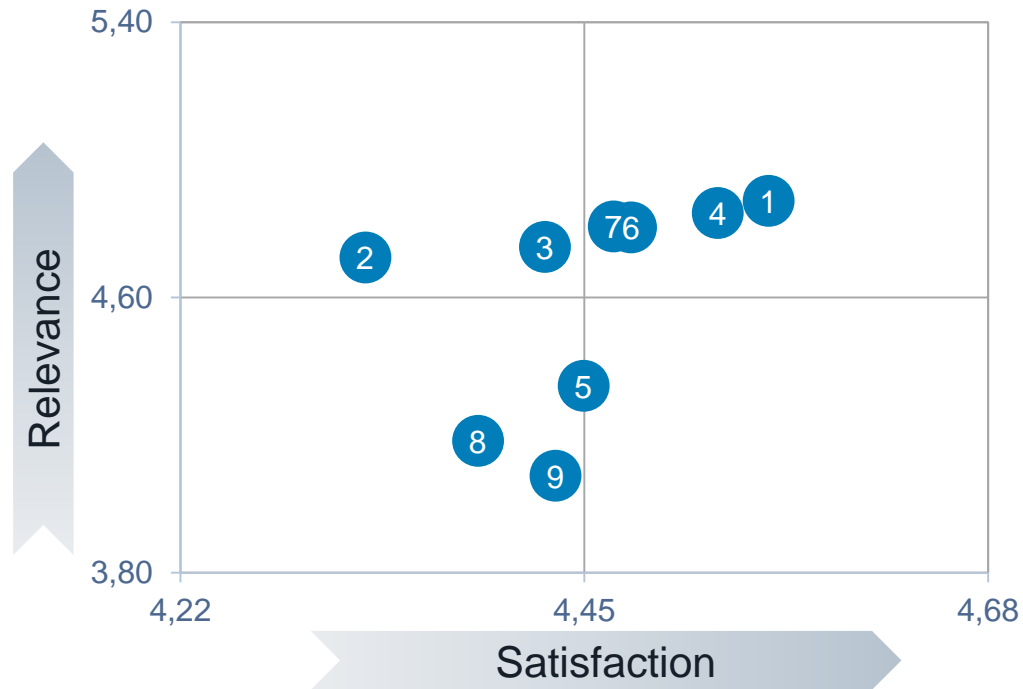
*at 95% confidence level and taking into account the statistically worst distribution: 50%

Satisfaction with large screen MBB



RS

High subscription fee is still the biggest problem with large screen MBB service.



1	Availability of the service
2	Monthly subscription fee
3	Speed, bandwidth
4	Stable, reliable operator
5	Variety of bandwidth offers provided by the mobile operator
6	Reliability of the service
7	Fast and efficient customer services in case of a break-down or a complaint
8	Other services provided by the mobile operator
9	Content services provided by the mobile operator

Basis: organisations with a direct subscription for large screen MBB service, Total=495

- Satisfaction with availability of the service is high.
- Satisfaction with reliability of the service and with customer service in case of a break-down is higher than average.
- Speed is deemed to be an important factor, however, satisfaction with it is below average.



Satisfaction with fixed-line Internet

RS High subscription fee is still the biggest problem with fixed-line Internet services.



1	Availability of the service
2	Monthly subscription fee
3	Speed, bandwidth
4	Stable, reliable operator
5	Variety of bandwidth offers provided by the operator
6	Reliability of the service
7	Fast and efficient customer services in case of a break-down or a complaint
8	Other services provided by the operator
9	Content services provided by the operator

Basis: organisations with a direct subscription for fixed-line Internet service, Total=1411
Means on a 0 to 10 scale

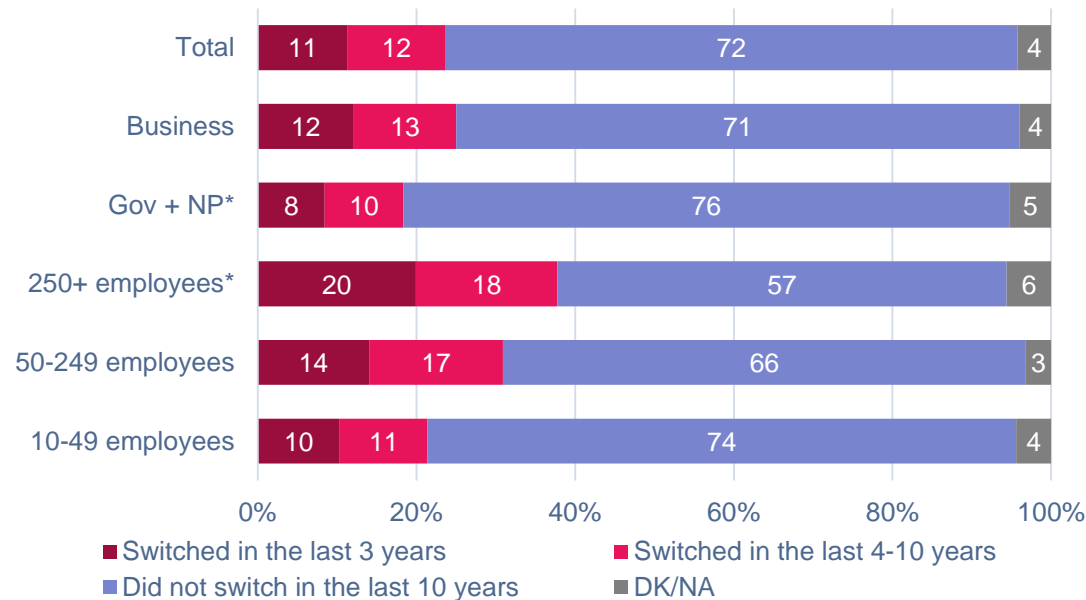
- Businesses are the most satisfied with reliability of operators and availability of the service.
- Satisfaction with reliability of the service and with efficiency of customer service in case of a break-down and with the speed of Internet service is on average.
- Dissatisfaction with the variety of bandwidth offers is high, although, it is a less relevant factor than the monthly subscription fee.
- Small enterprises, organisations with lower revenue and the service sector are the most satisfied.

Switching provider



About 72% have not switched fixed-line Internet provider in the last 10 years.

Switching fixed-line Internet provider in the last 10 years [%]

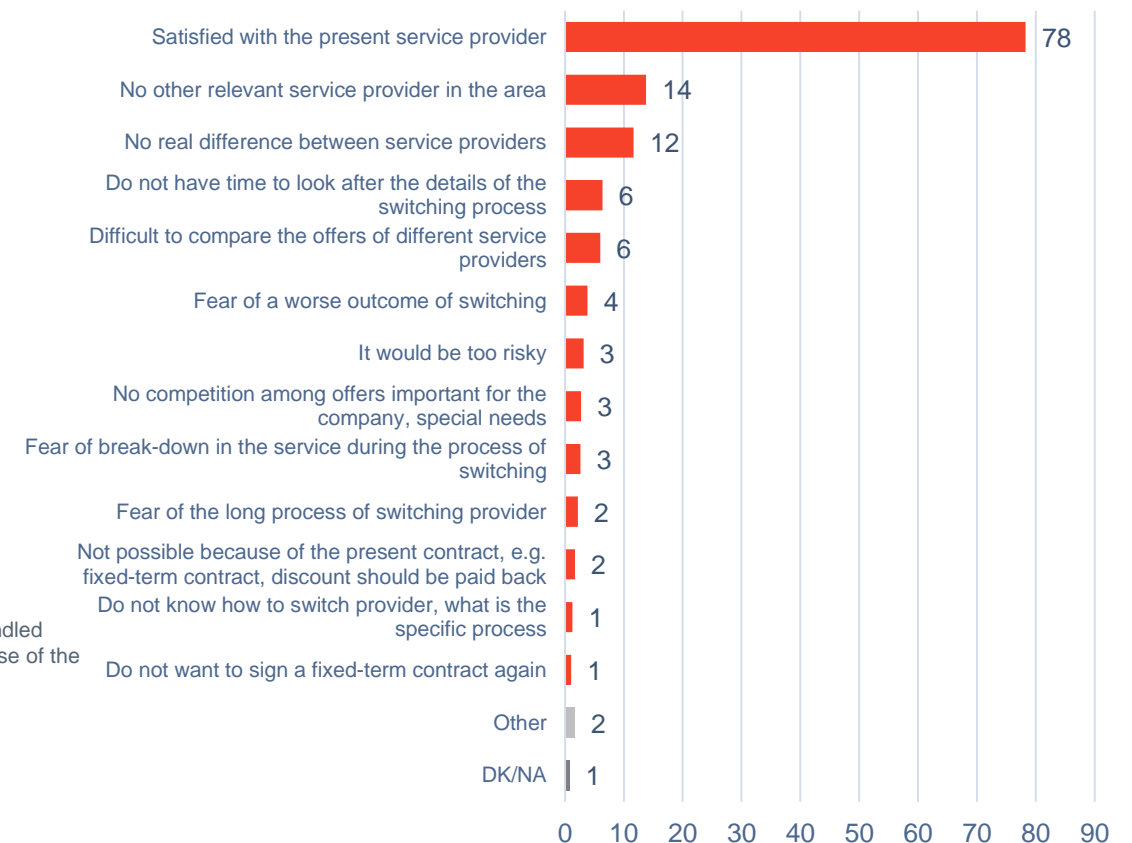


Basis: organisations with a direct subscription for fixed-line Internet who signed a fixed-term contract, Total=1074 [Business=1008, Gov+NP=66], [250+ emp.=98, 50-249 emp.=167, 10-49 emp.=809]

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

- Most organisations do not switch because they are satisfied with the present provider.
- 14% complained about the lack of competitors in the area [especially, in the region of Central Hungary, Southern Transdanubia and Northern Hungary].
- 12% do not see any difference between service providers.

Why didn't you switch provider? [%]



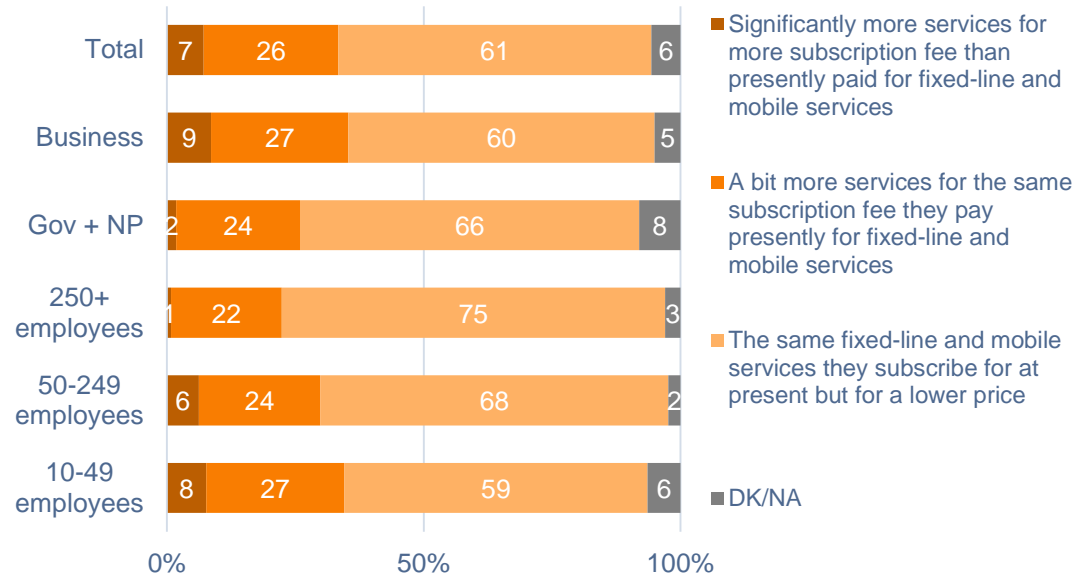
Basis: organisations with a direct subscription for fixed-line Internet who signed a fixed-term contract and have not switched provider in the last 3 or 10 years, Total=903



FMC (fixed-mobile convergence) bundles

The majority of businesses are not interested in larger fixed-mobile bundles but more in a discounted subscription fee.

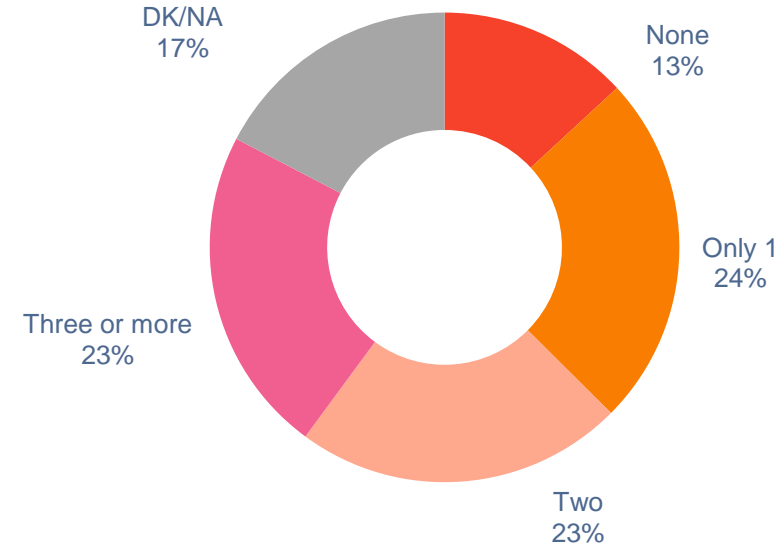
Demand for bundled services [%]



Basis: all organisations, Total=1719

[Business=1615, Gov+NP=104], [250+ emp.=147, 50-249 emp.=242, 10-49 emp.=1330]

How many electronic communications service (ECS) providers are available in your area offering fixed-mobile bundles that could cover all your business needs? [%]



Basis: all organisations, Total=1719

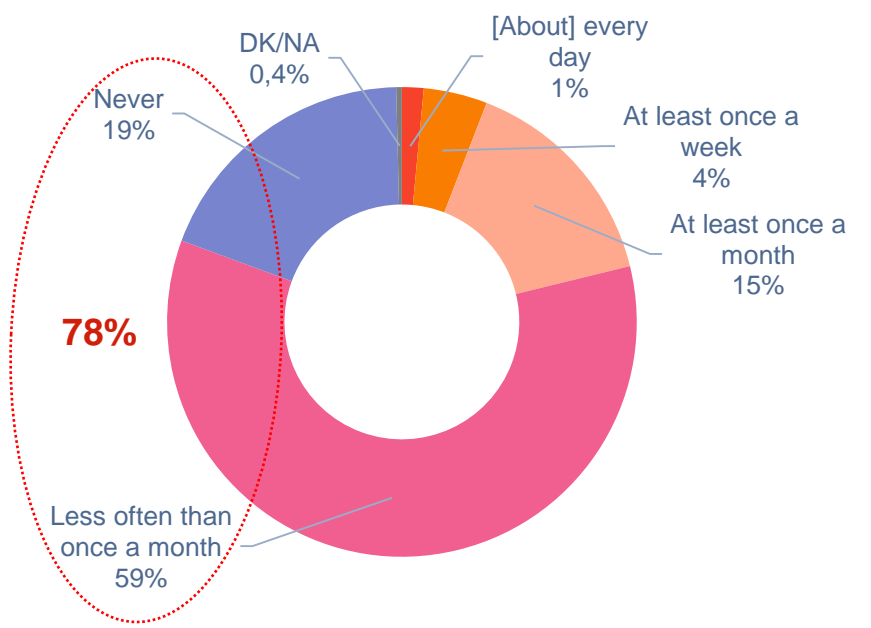
- Only 7% would go for the option "more-for-more", i.e., to get more services for a higher price.
- About one quarter of organisations would like to have better service options for the same fee they pay already.
- Diversity in choice: 23% of organizations interviewed can choose out of 3 or more service providers while 37% have no real choice: only 1 option to choose [for 13% of them, fixed-mobile bundles are not available at all]. Geographical competition is considered to be strong in the region of Central Hungary while it is very moderate in Southern Transdanubia with many villages and small towns.



Frequency and source of getting information

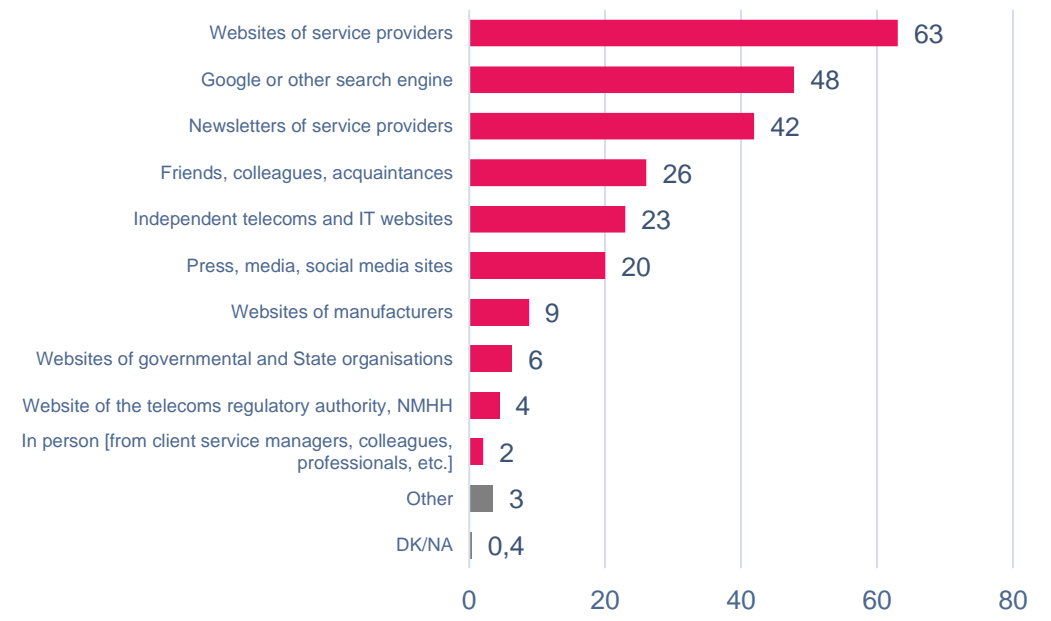
The vast majority of business leaders [78%] do not look after telecoms offers.

Frequency of getting information on telecoms offers and new services [%]



Basis: all organisations, Total=1719

Source of getting information on telecoms offers and new services [%]



Basis: organisations getting information on telecoms offers and new services, Total=1403

- Only 5% follow telecoms offers of service providers on a weekly basis.
- The majority use the information from the Internet. Newsletters of service providers and word of mouth are still relevant.
- Only one out of twenty-five organisations uses the website of NMHH.

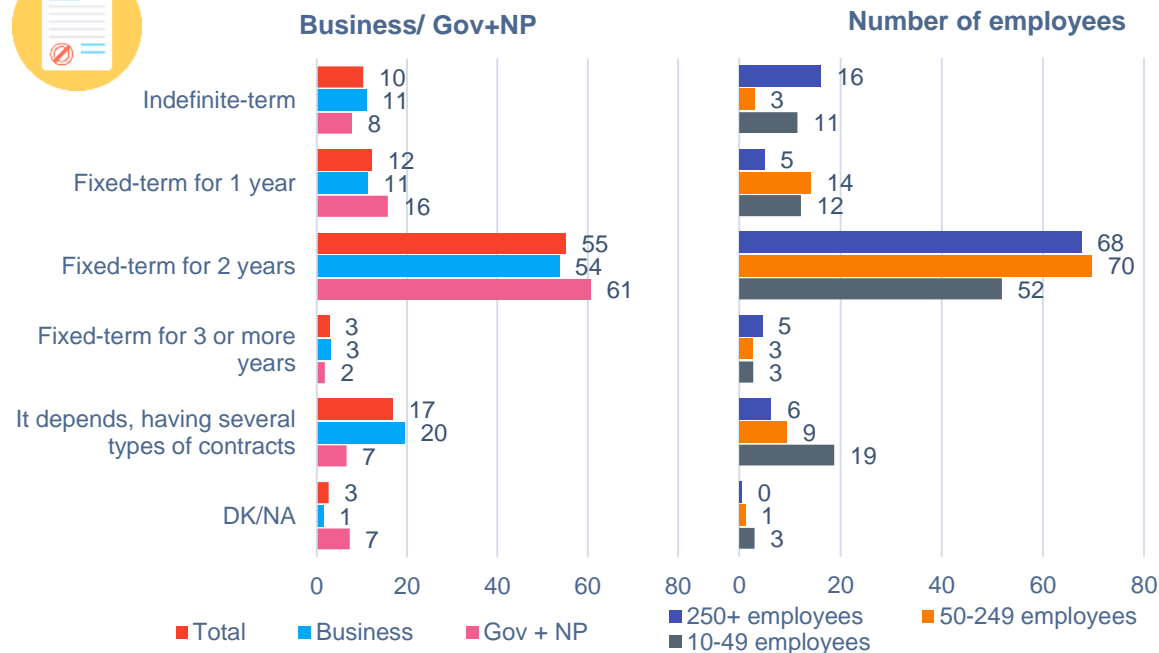
Contracts



Electronic communications service (ECS) contracts in Hungary usually last for 2 years.



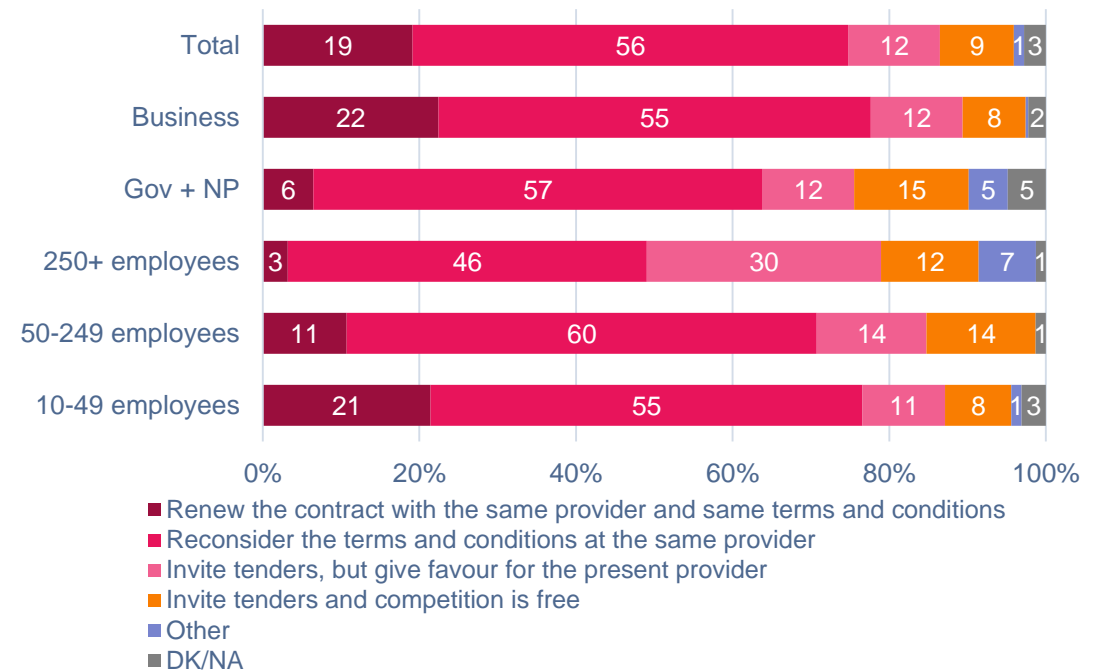
For how long is the business' contract signed? [%]



Basis: all organisations, Total=1719

[Business=1615, Gov+NP=104], [250+ emp.=147, 50-249 emp.=242, 10-49 emp.=1330]

After termination of contract, usually, what do you do? [%]



Basis: all organisations, Total=1719

[Business=1615, Gov+NP=104], [250+ emp.=147, 50-249 emp.=242, 10-49 emp.=1330]

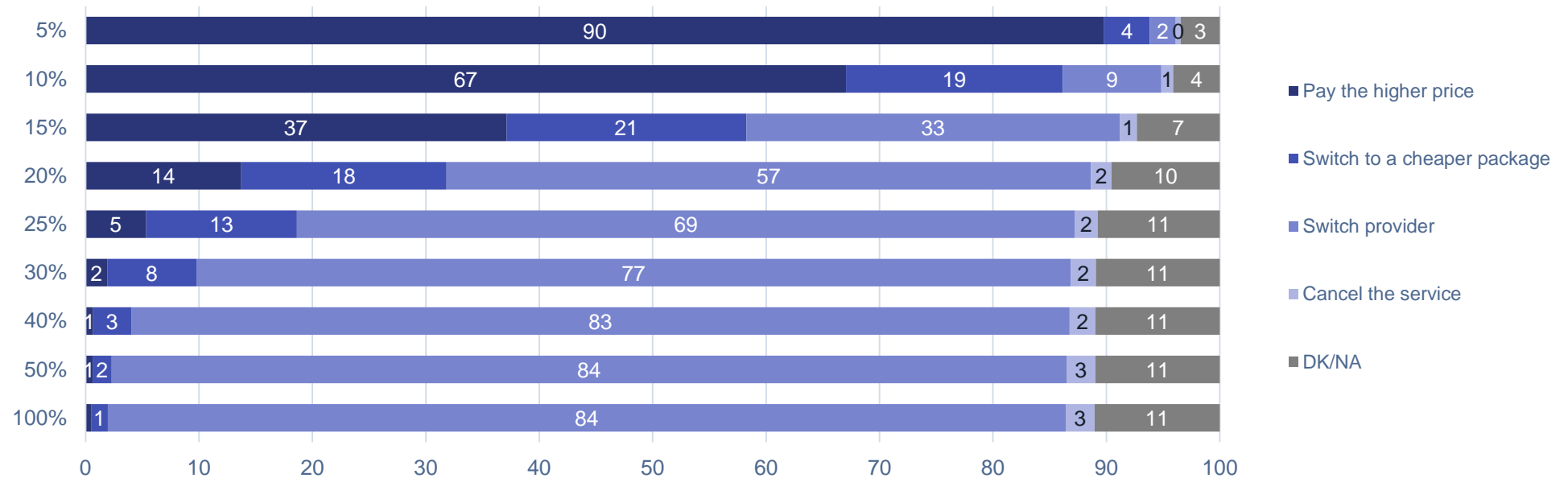
- The period of ECS contracts is usually influenced by traditions of the mobile market where 2-year contracts were the most widespread for a long time.
- In case of termination of contract, SMEs and large enterprises are not inclined to switch provider as they deem it to be risky.
- Less than 10% of businesses invite suppliers to submit tenders in a free competition or to participate in a public tender after termination of the previous contract.

Price flexibility



Hungarians are very price sensitive: about one third of users would switch provider in case of a 10% price increase. Businesses with lower revenue and the service sector would be the first to switch.

How would you react in case of a price increase while all other terms and conditions remained the same? [%]



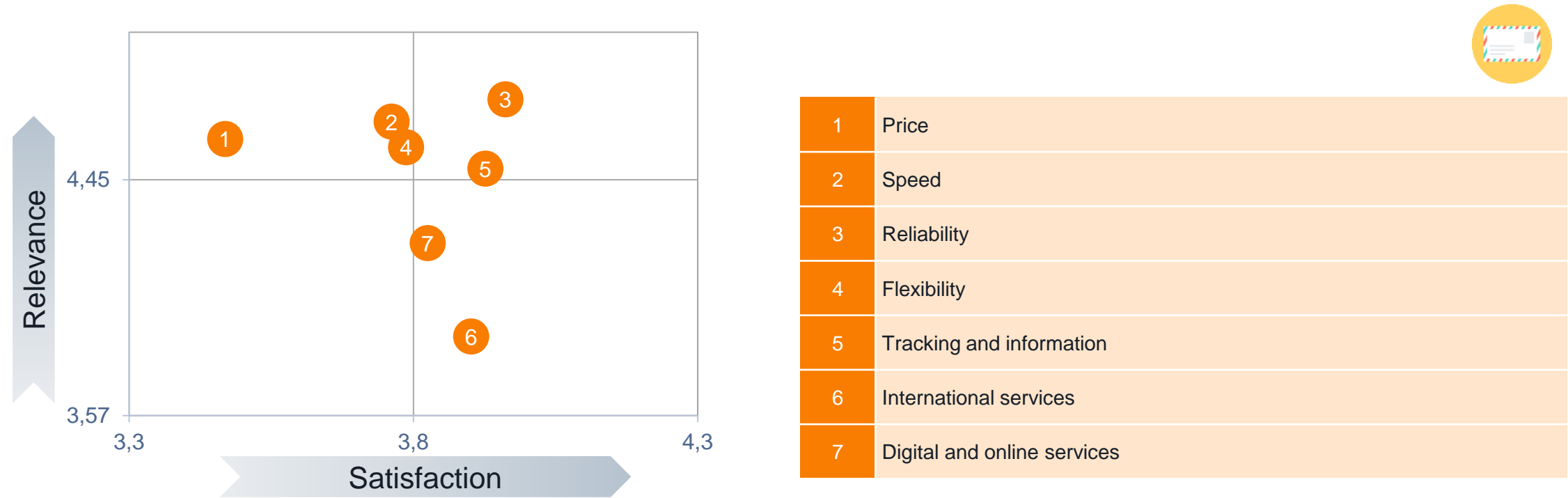
Basis: all organisations, Total=1719

- Reactions become more extreme and the majority would switch if the price increase reaches 15-20%.
- 57% would switch provider in case of a 20% price increase.
- Only 10% would stay with the provider but would switch to a cheaper package in case of a 30% price increase.

Postal services - satisfaction with mails sent



RS Among the most relevant factors, businesses are most satisfied with reliability and tracking of mails.



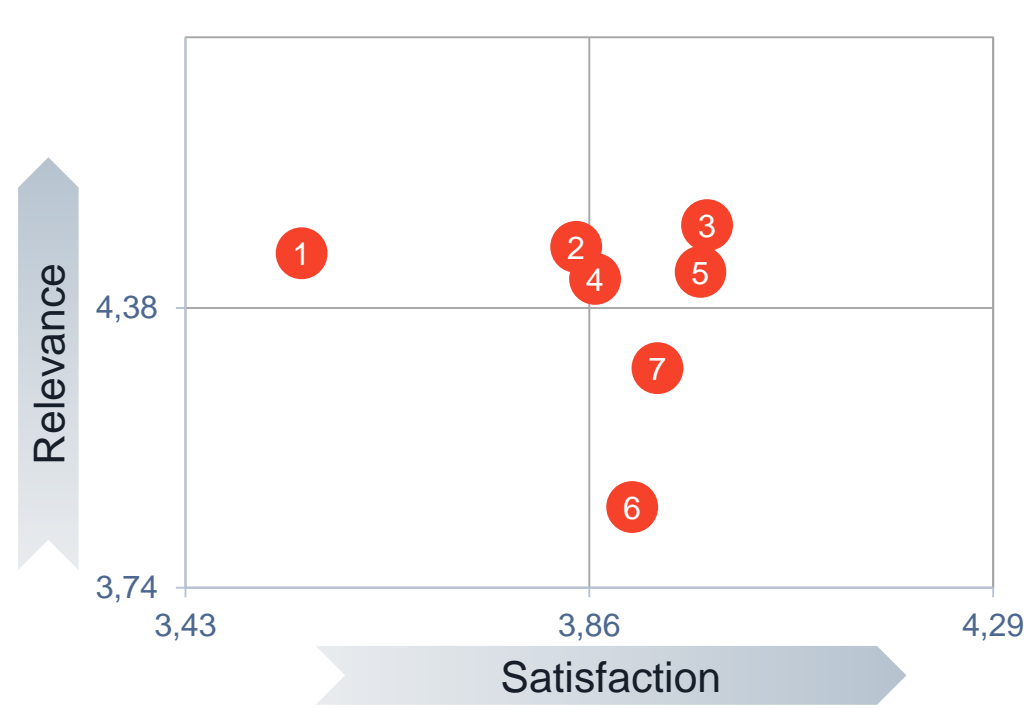
Basis: all organisations, Total=1719

- Price is the most critical factor – level of relevance is higher while level of satisfaction is lower than average.
- It is interesting to note that digital and online services are rather irrelevant and dissatisfying for SMEs and large companies.
- Satisfaction with speed and flexibility is about average.

Postal services - satisfaction with parcels sent



RS Satisfaction patterns of sending parcels are very similar to those of sending mails.



1	Price
2	Speed
3	Reliability
4	Flexibility
5	Tracking and information
6	International services
7	Digital and online services

Basis: all organisations, Total=1719

- Price is the most critical factor in case of parcels as well.
- Businesses are most satisfied with reliability and tracking.