TRA BAHRAIN RESIDENTIAL SURVEY 2017

هيئة تنظيم الاتصالات
TELECOMMUNICATIONS REGULATORY AUTHORITY
Kingdom of Bahrain - مملكة البحرين

5 December, 2018

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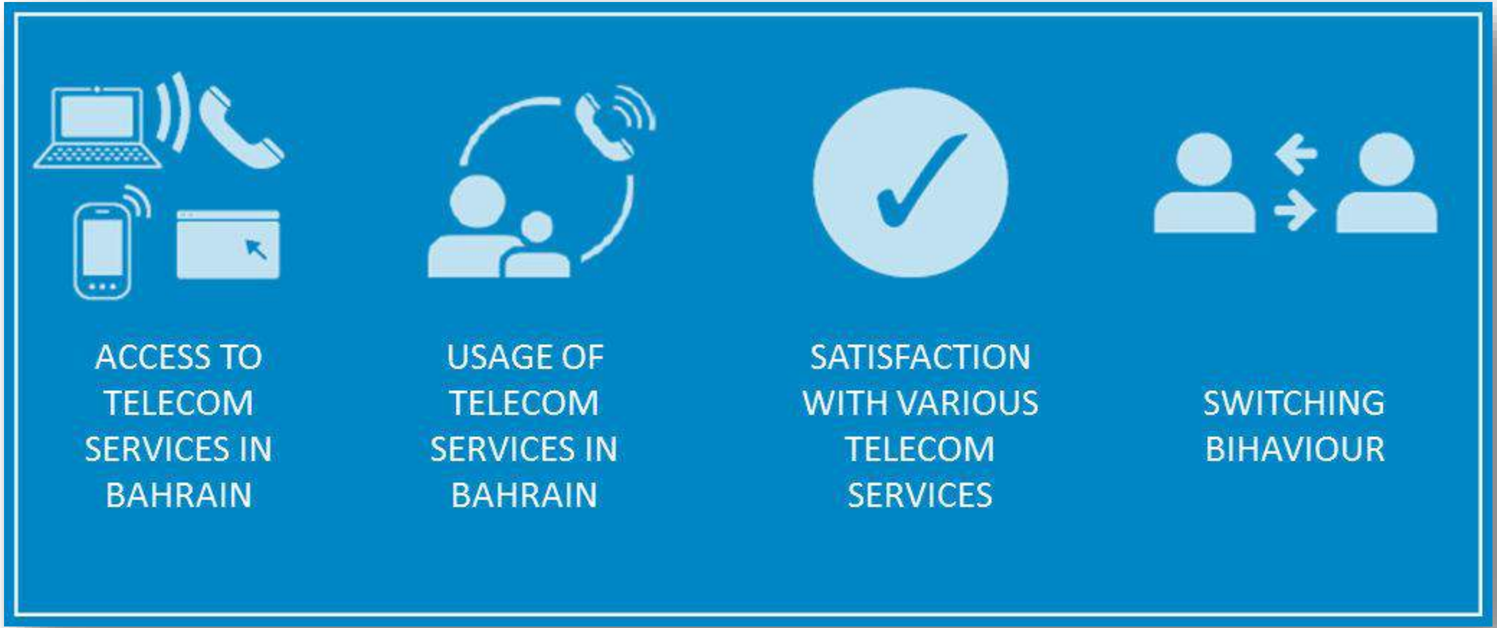
- TRA notes that the information contained in this report is based on a survey of a sample of 1674 residential consumers and as such may not necessarily represent the market or the population as a whole.
- This survey fulfills the requirement to undertake research and publish information as set out in Article 54 of the Law. It also fulfills the requirements of Article 25 to provide information to the Regulator as set out in the Individual Licenses granted to the Operators mentioned in this survey.

RESEARCH BACKGROUND

- The Telecommunications Regulatory Authority of Bahrain (TRA) was formed in October 2002.
- It is an independent regulatory body that has a direct responsibility to ensure effective liberalization of the telecommunications market in Bahrain, oversee fair competition, protect consumers, foster investor confidence and allocate telecommunications resources.
- TRA had previously commissioned Nielsen to conduct market research surveys in 2007, 2011, 2014 and 2015 with the objective of understanding the current level of service provided to the consumers, assess associated satisfaction to identify problem areas and look into their future requirements to direct further investments.
- In 2017, TRA commissioned Nielsen to carry out a similar study amongst the residential consumers.
- This report presents the results of the residential survey, which was based on 1674 face-to-face interviews conducted during December 2017.

RESEARCH OBJECTIVES

The Key objectives of 2017 survey are to understand the following:



Where appropriate, the results of 2017 survey have been compared with the results of previous surveys to identify the key trends

SURVEY DESIGN

Data Collection

1674 Face to Face Interviews with tablet (Computer assisted personal interviews)

Geographies

- Muharraq:17%
- Capital:40%
- Northern:23%
- Southern:20%

Sample Demographics

Gender
- Male:65%
- Female:35%

Age Group
- 15-24 Yrs: 16%
- 25-34 Yrs: 35%
- 35-44 Yrs: 24%
- 45 Yrs & above: 25%

Nationalities

Resident in Bahrain for at least the past 12 months

- Bahraini:40%
- Non–Bahrainis:60%

KEY FINDINGS

KEY HIGHLIGHTS FROM 2017 RESEARCH

- Trend of reduced reliance on fixed line access since last 10 years

- The average volume of calls made from fixed lines has decreased in 2017
- Average number of fixed-to-fixed calls decreased from 11 calls per week to 6 calls per week from 2016 to 2017
- Average number of fixed-to-mobile calls per week decreased from 16 to 15 over the same period
- Falling call volumes has lead to decline in the Average revenue per fixed line

- Satisfaction levels among fixed telephony users have remained largely flat

- Almost all respondents have access to mobile phones
- 38% of respondents have 2 or more SIM cards
- To have separate SIMs for business and personal use- main reason for multi-SIM ownership

- Postpaid connections continue to rise
- 43% of respondents claimed to have a postpaid connection on their main line

- Monthly spends on rise, however there is a 7% drop in the overall customer satisfaction led by declining satisfaction levels on pricing of international calls and value added services, pricing & variety of roaming services and number of operators

- As per 2017 survey, 99% of respondents have internet access at home. 98% of whom claimed to use internet on a daily basis
- Internet usage has significantly increased at both home and workplace
- Social networking remains the main online activity among internet users (90%)
- 5% drop in satisfaction with Internet services owing to - reliability, value for money and handling customer complaints

ICT ACCESS IN HOUSEHOLDS

ICT ACCESS IN HOUSEHOLDS

- Fixed Line **13%**
- Mobile Phone **100%**
  - Smartphone **99%**
  - Feature Phone **17%**
- WiFi **35%**
- Smart Devices **18%**
  - Smart Watch **13%**
  - Digital Media Player **4%**
  - Smart Home Security System **1%**

FIXED TELEPHONY

FIXED LINE SERVICE

Access

13% of respondents have fixed line services (4% drop from last year)

Usage

Calls made from fixed line to mobile phones are more than two times of the calls made from fixed to other fixed lines

Switchers

4% of those who have fixed line services claimed to have switched their provider in past

Monthly Spends

54% of those who have fixed line services spend less than BD10 monthly

Satisfaction

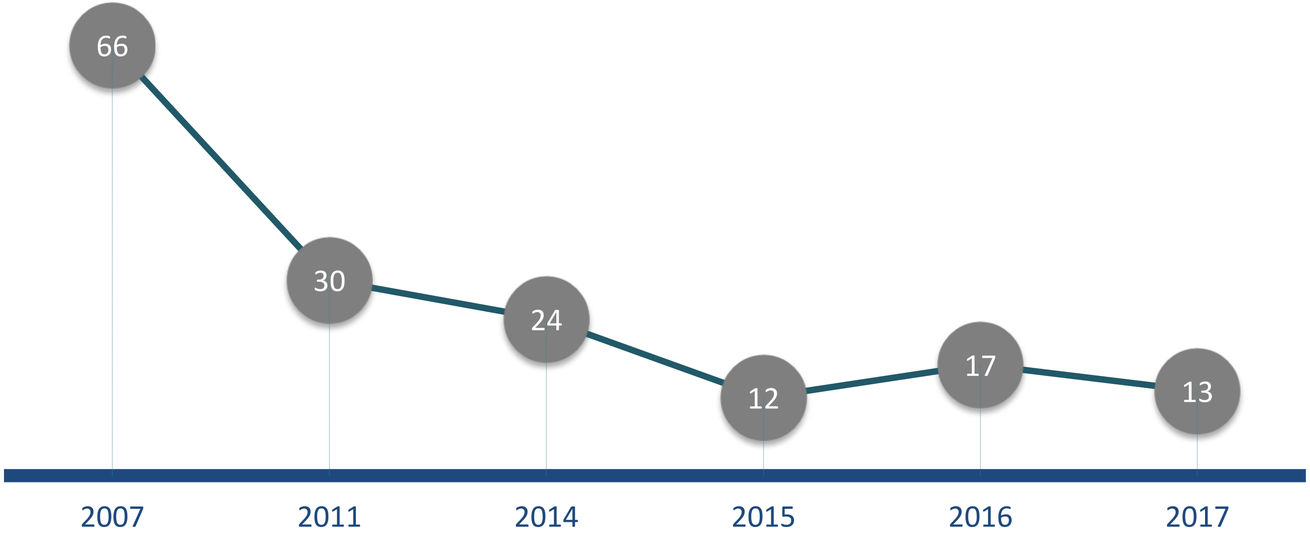
80% of respondents with fixed line services are satisfied with the services. Overall satisfaction levels have remained steady compared to 2016

Improvement

Reduction of charges is the key improvement area as per 59% of respondents with a fixed line service

HOUSEHOLDS WITH FIXED LINE

Fixed line access has significantly dropped in the last 10 years. 13% of respondents in 2017 survey claimed to have access to a fixed line service at home compared with 66% in 2007.



Figures in %

Base: all respondents

FIXED LINE CALLS

Overall decline in the volume of calls from last year. Average number of weekly calls from fixed to mobile are more than 2 times of the average weekly calls made from fixed to fixed.

Average number of calls made per week to…

Base: those who have a fixed line

6
Fixed Line

-5 Vs. 2016

15
Mobile

-1 Vs. 2016

1
International

-5 Vs. 2016

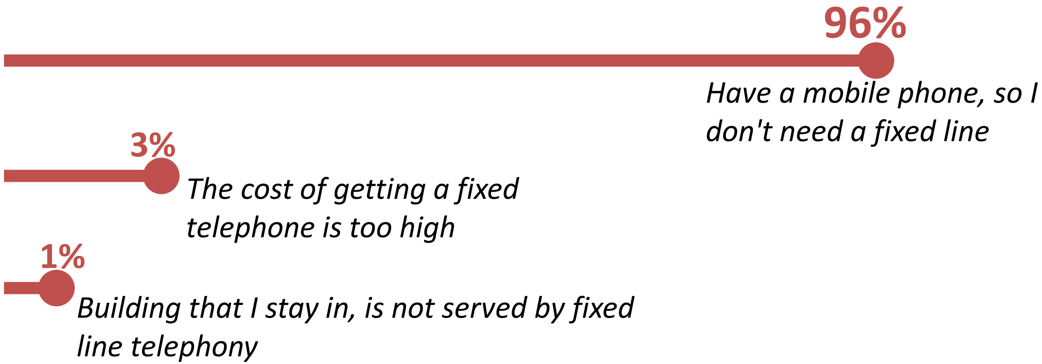
FIXED LINE CANCELLATION

13% have cancelled their fixed line in the past and moved to mobile only

Base: all respondents

Reasons for not having fixed line

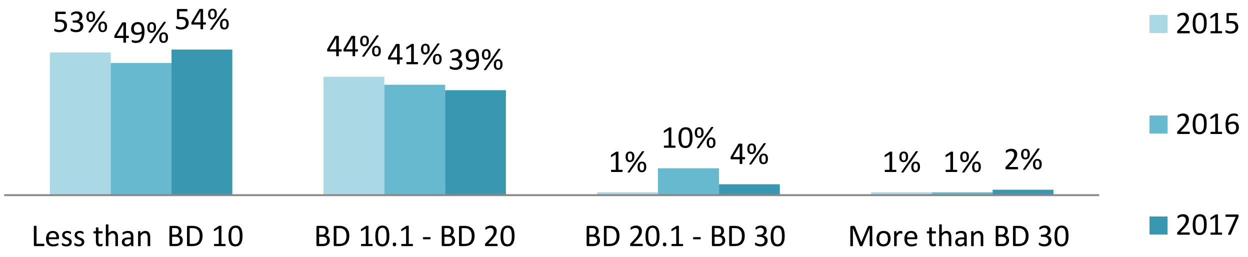
Base: those who do not have a fixed line connection



SPENDS ON FIXED LINE

54% of respondents who have fixed line claimed to have spent less than BD 10 monthly on their fixed line in 2017.

Average Monthly Spends



Base: those who have a fixed line

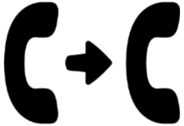
SWITCHING FIXED LINE

4% of current fixed line users claimed to have switched their fixed line provider in the past.

41% are aware that they can switch between fixed line providers without changing the number

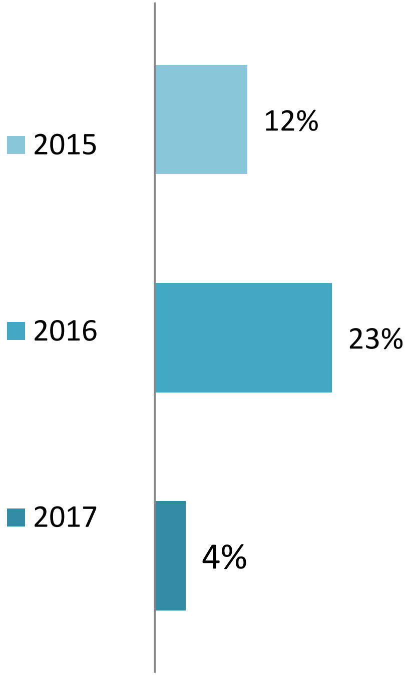
(5% drop vs 2016)

Base: all respondents



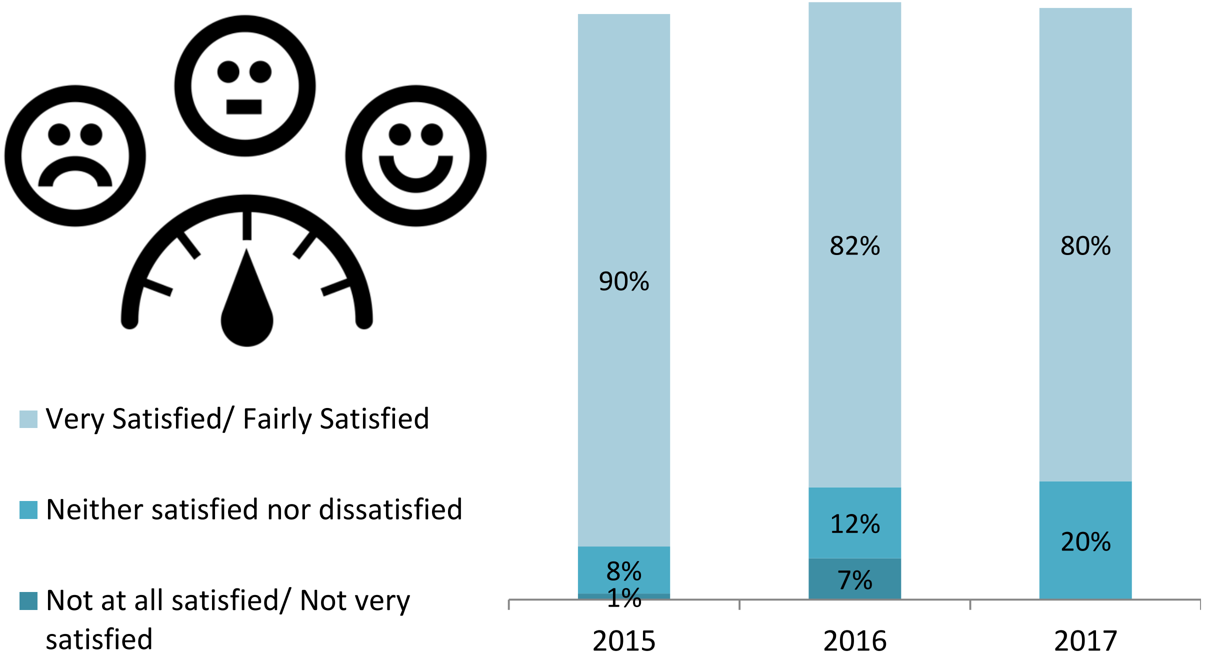
Switched fixed line providers

Base: those who have a fixed line



OVERALL SATISFACTION WITH FIXED LINE

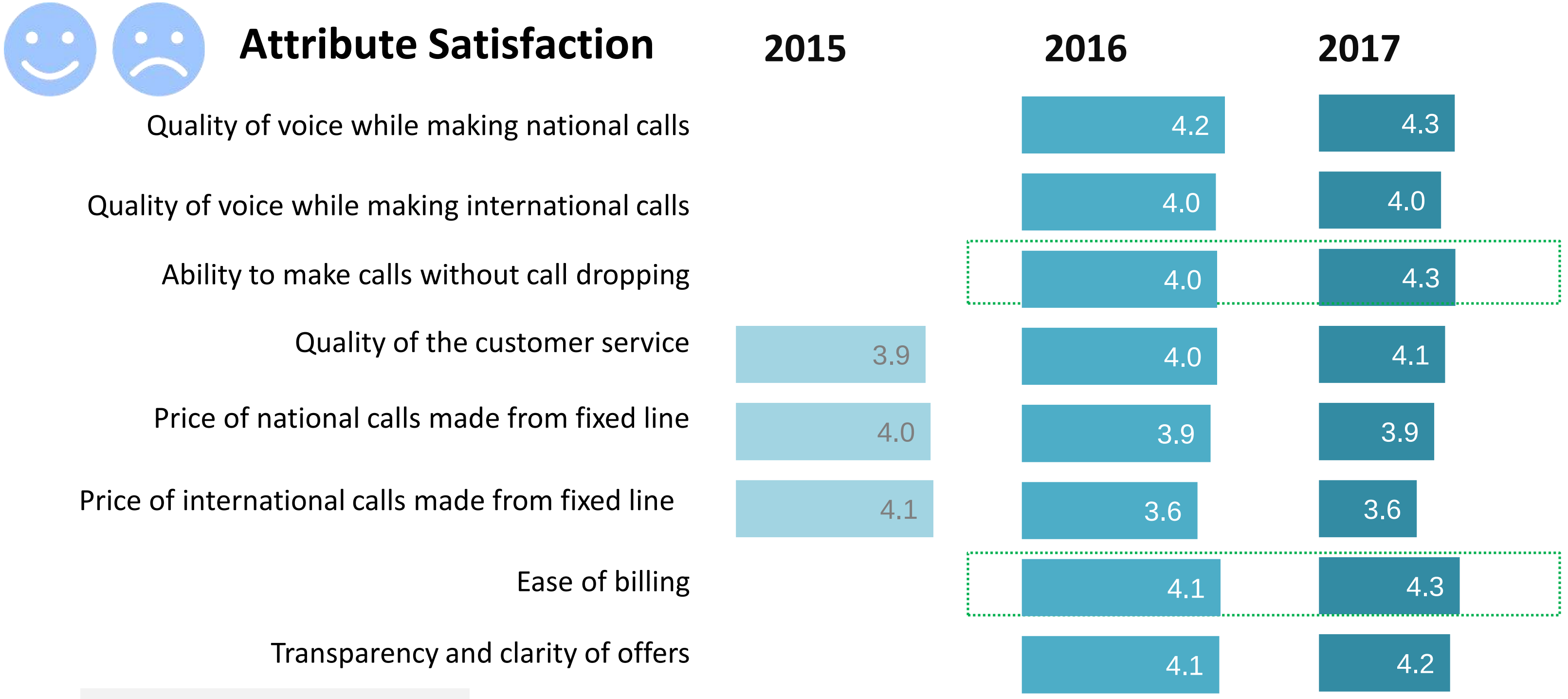
Overall satisfaction with fixed line service has remained almost stable compared to 2016.



Base: those who have a fixed line

WHAT DRIVES FIXED LINE SATISFACTION?

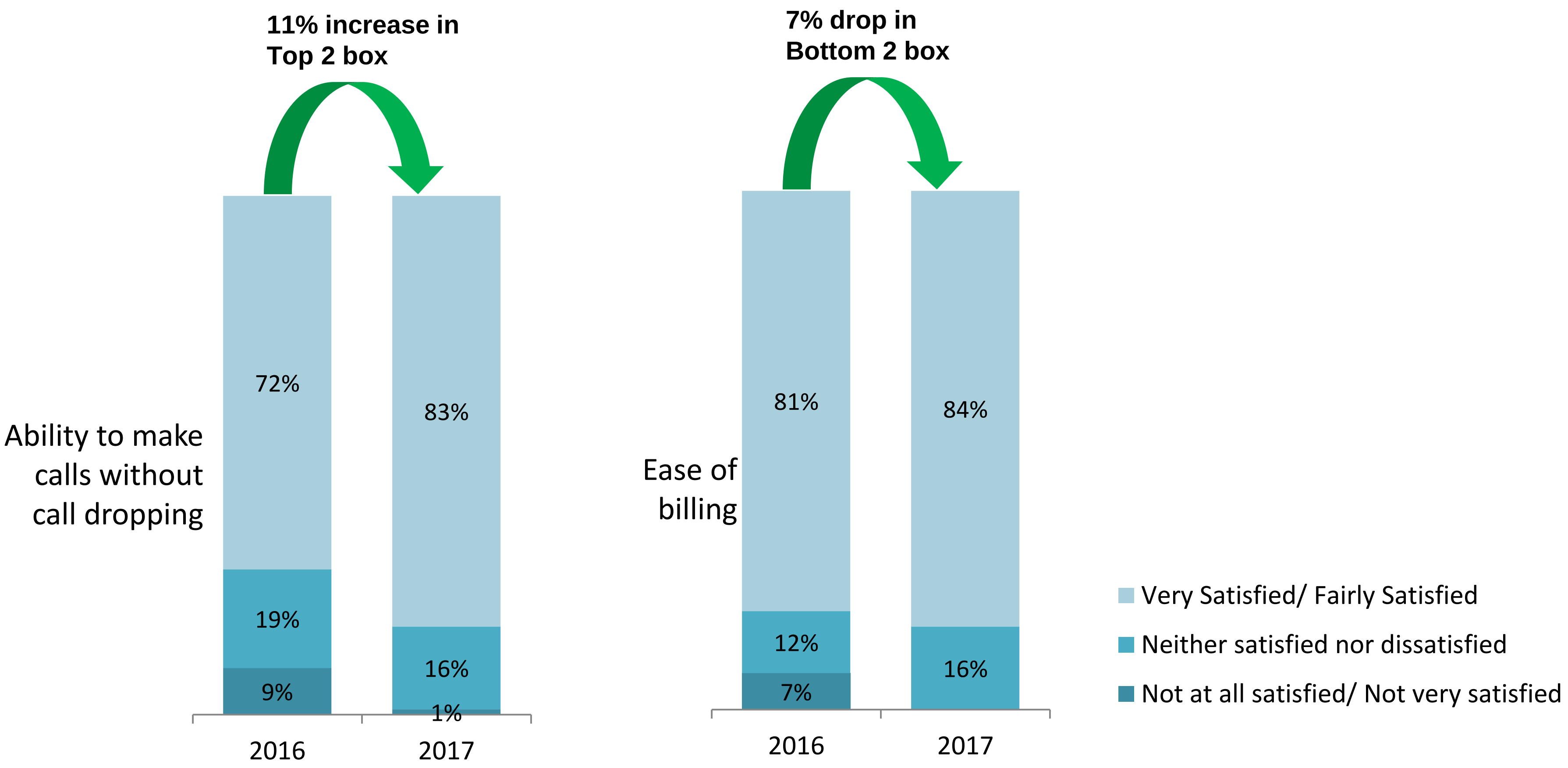
2017 Survey suggests improvement in satisfaction levels on ease of billing and ability to make calls without being cut off.



Mean scores on a 5 point scale

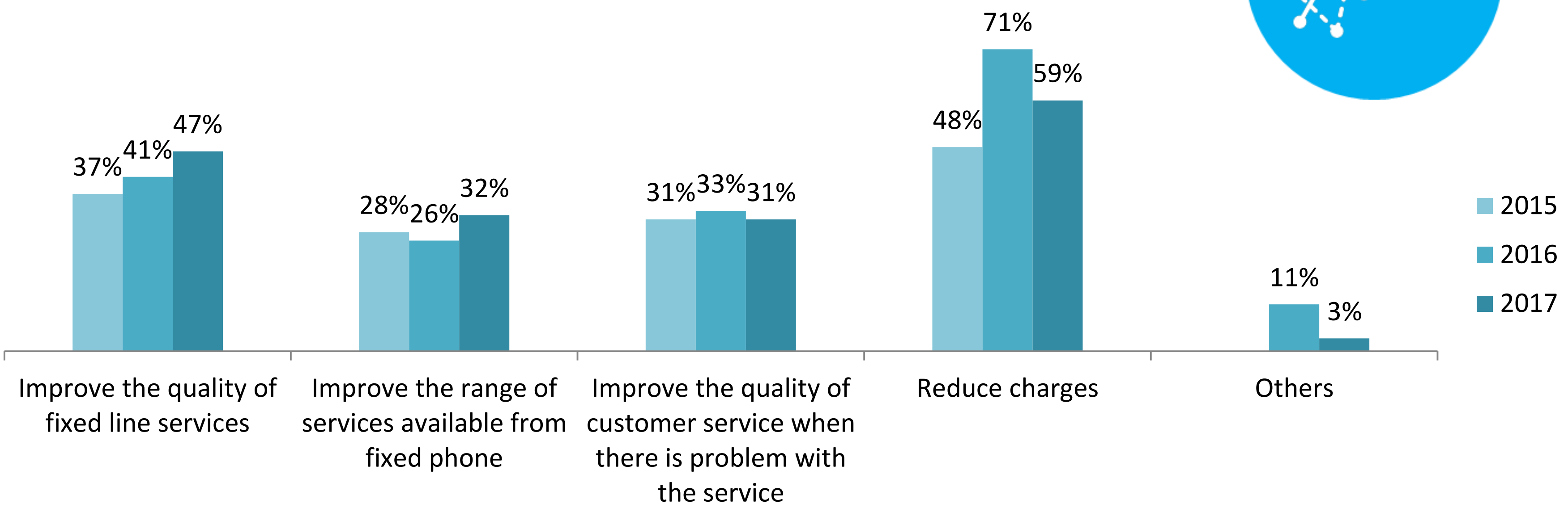
Base: those who have a fixed line

A DEEP DIVE INTO IMPROVING FACTORS



IMPROVEMENT AREAS FOR FIXED LINE

Reduction of charges is still the key to improve fixed line services in 2017.



Base: those who have a fixed line

MOBILE PHONE SERVICE

MOBILE PHONE SERVICE

SIM Card Ownership

38% of respondents own more than one SIM Card (7% higher than previous year). This rise could be attributed to the increasing uptake of device bundle offers

Mobile Usage

33% of respondents use more than one mobile phone (+5% than last year)

Type of Connection

56% of respondents are pre-paid customers, while 44% own a post-paid connection

Mobile Data

95% of respondents access internet on their mobile and among them 90% claimed to have subscribed to a data plan

Monthly Spends

54% of those with mobile phone service spend less than BD 10 monthly on their mobile expenses

Switching

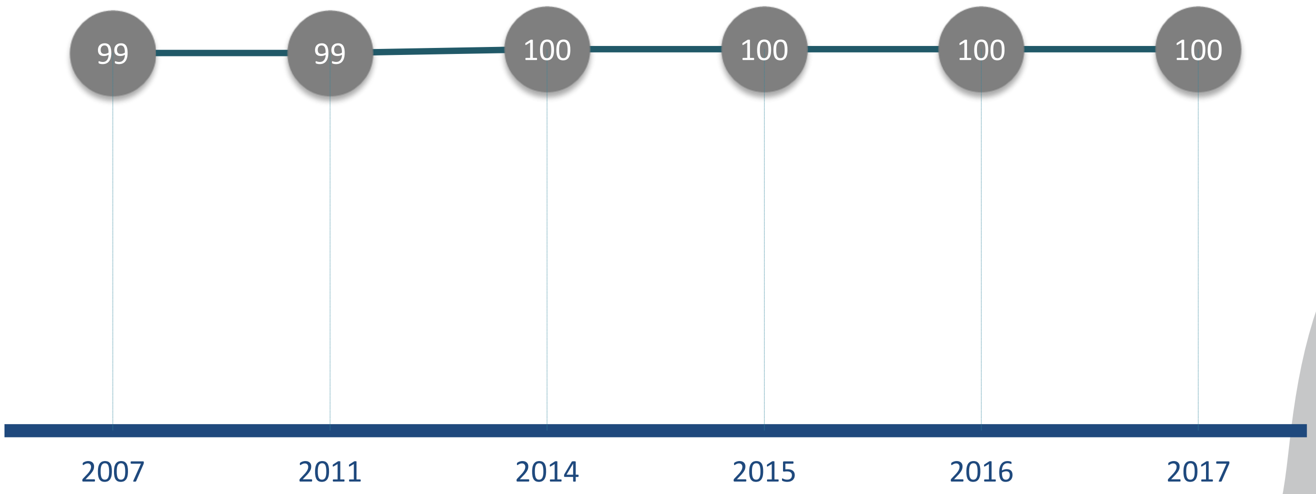
19% of mobile phone users claimed to have switched their service provider in past

Satisfaction

83% of respondents are satisfied with the overall mobile phone service – a 7% drop in the overall satisfaction from last year

INDIVIDUALS WITH MOBILE PHONE

Mobile phone ownership is maintained at 100%.



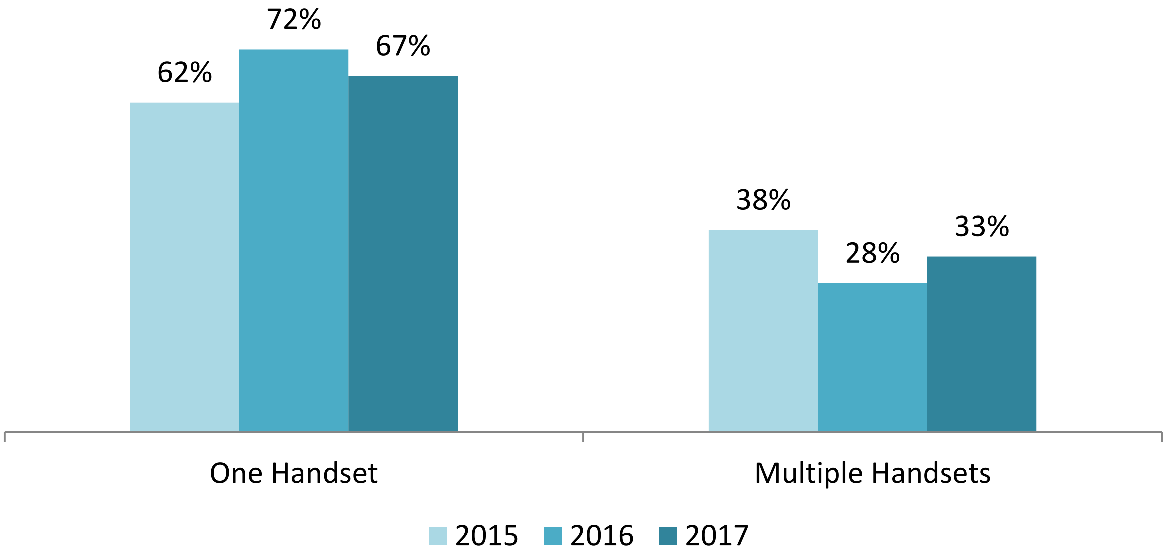
Figures in %

Base: all respondents

MOBILE PHONE USAGE

33% of respondents claimed to use more than one mobile phone in 2017 compared to 28% in 2016.

Number of Mobile Phones/Handsets

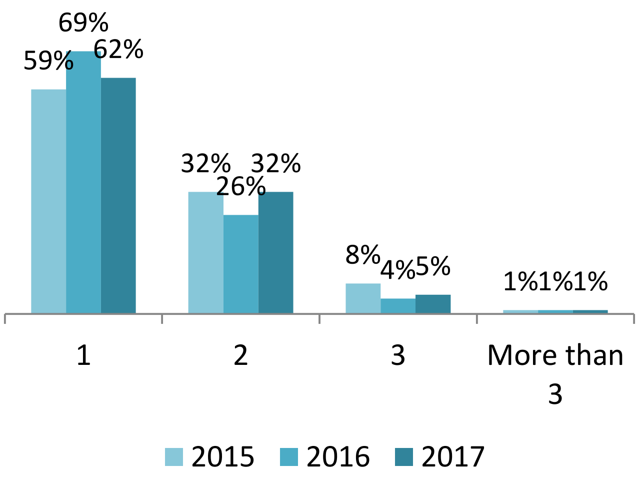


Base: all mobile phone users

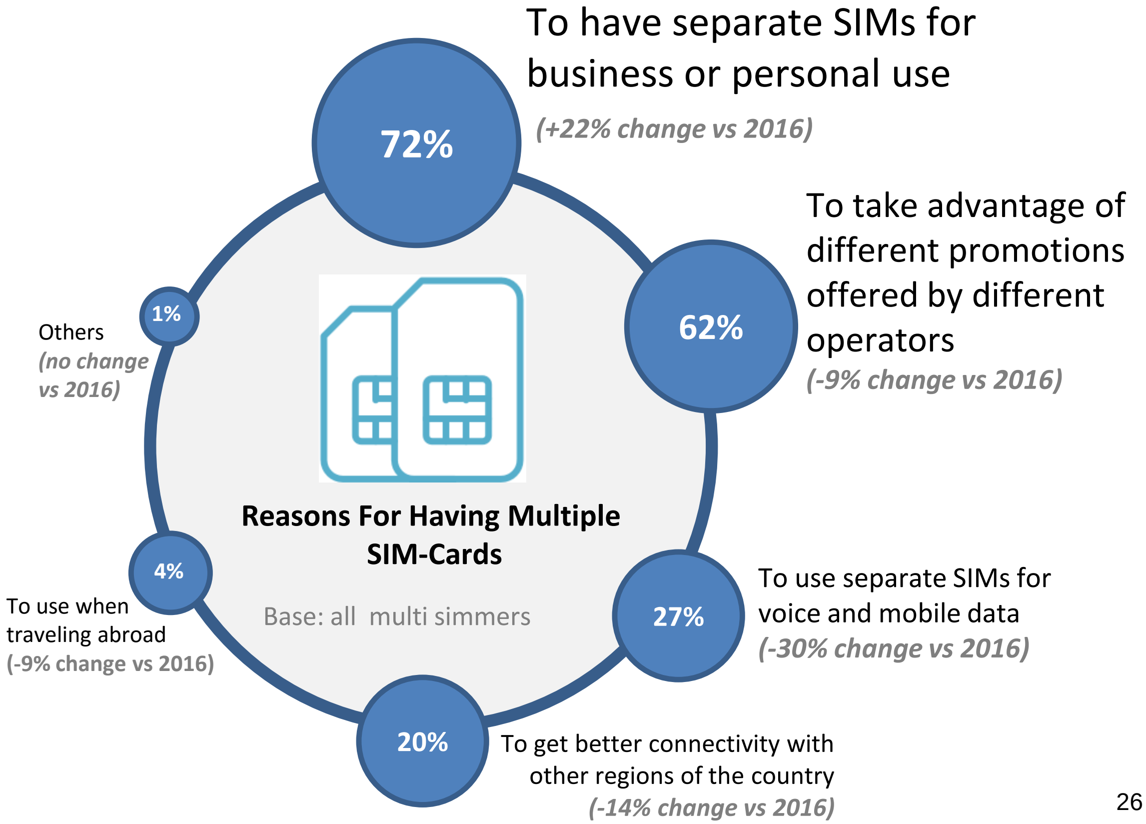
SIM-CARD USAGE

Multiple SIM Card usage has increased by 7% from 2016. Separate SIMs for business and personal use is now considered as the primary reason for using multiple SIM cards.

Number of Active SIM-Cards

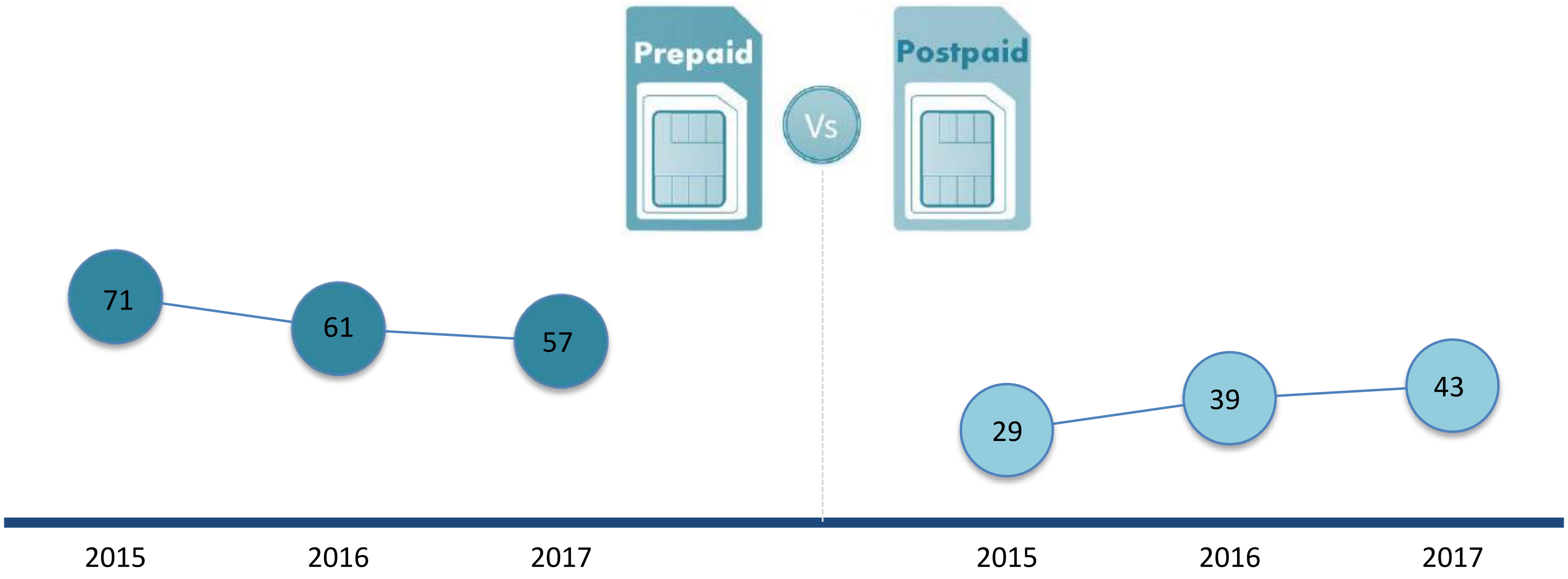


Base: all respondents



TYPES OF MOBILE PHONE CONNECTION (1/2)

43% of respondents claimed to have a postpaid connection as their main mobile connection, while 57% of respondents claimed to have prepaid connection.

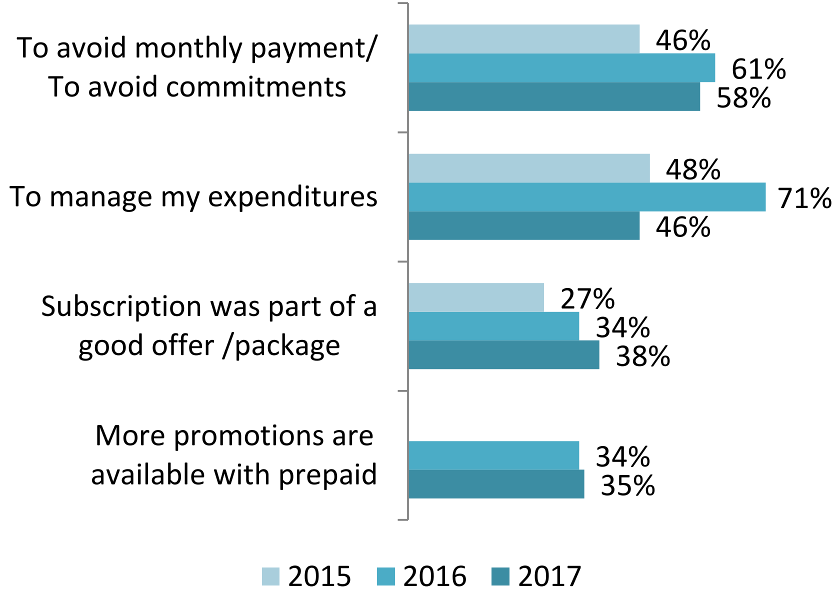


Base: those who have a mobile phone

TYPES OF MOBILE PHONE CONNECTION (2/2)

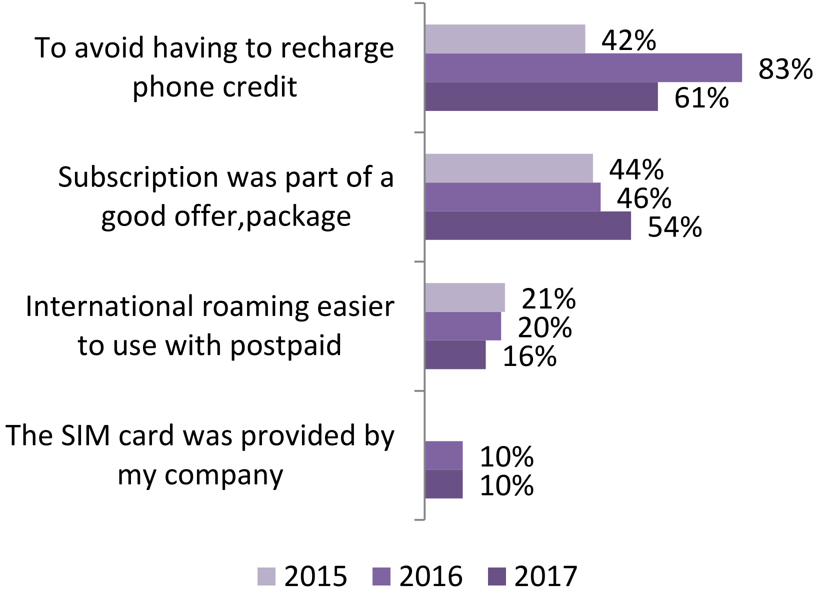
Expenditure control and avoiding monthly payments/commitments are still the main reasons to use a prepaid connection. On the other hand, avoid credit phone recharge was reported as the key reason for using postpaid connection.

Reasons for using prepaid connection only



Base: respondents who only have a prepaid connection

Reasons for using postpaid connection only



Base: respondents who only have a postpaid connection

MOBILE PHONE USAGE

Respondents mainly use their mobile phone to make calls to other mobile phones.

Average number of calls made each week to…

Base: all respondents

9

Fixed Line

No change Vs. 2016

60

Mobile

+34 Vs. 2016

8

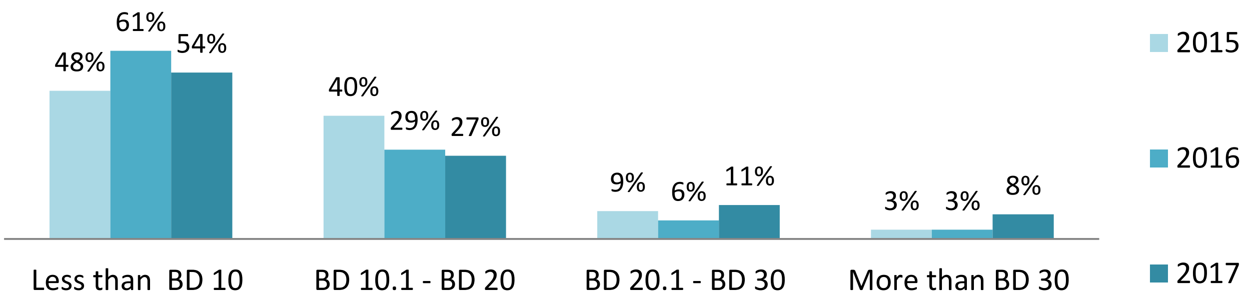
International

-3 Vs. 2016

SPENDS ON MOBILE PHONE SERVICE

54% of respondents spent less than BD10 monthly on their mobile phone services in 2017 compared with 61% in 2016.

Average Monthly Spends

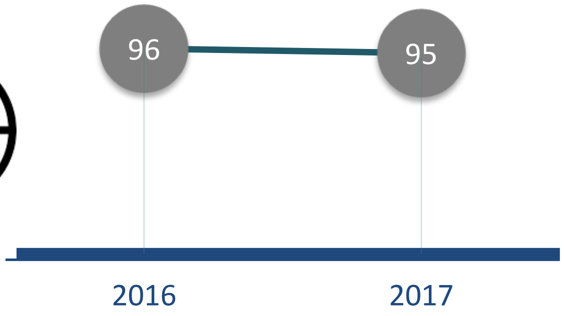


Base: all respondents

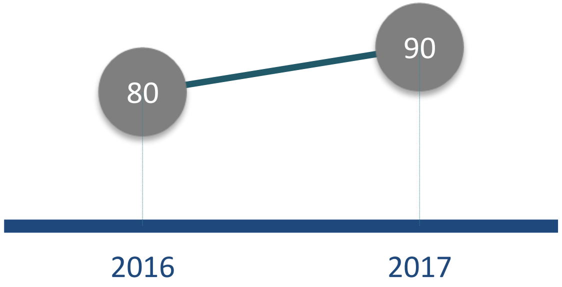
USING INTERNET ON MOBILE

95% of respondents have internet access through their mobile. Among them, 90% of respondents claimed to have subscribed to a data plan on their mobile – a 10% increase from 2016.

Internet Access through Mobile phones



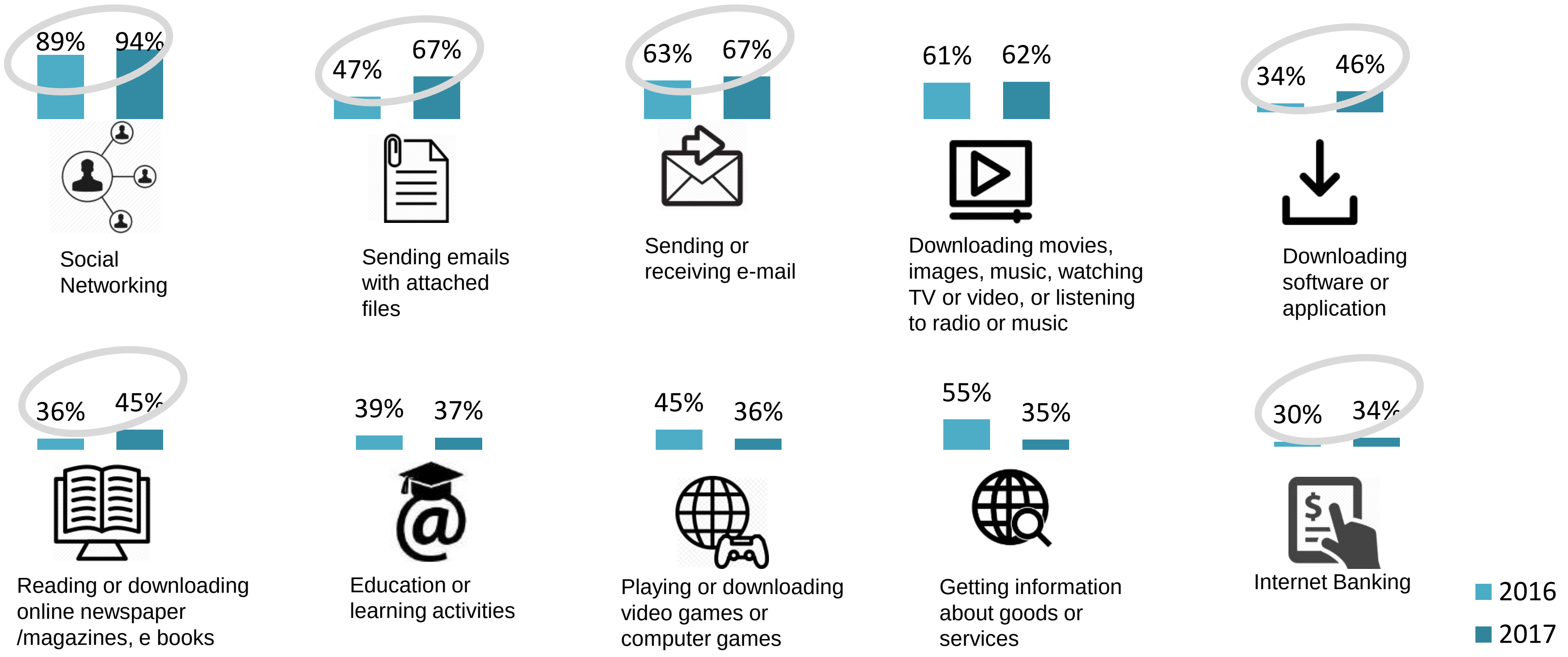
Currently subscribe to a Monthly/Weekly/Daily/ Social Pack Data plan/allowance



Base: all respondents

POPULAR MOBILE INTERNET ACTIVITIES

In 2017 survey, we've registered increase in mobile internet usage on multiple aspects like social networking, sending emails, internet banking, downloading software and reading/downloading newspapers, ebooks and magazines.



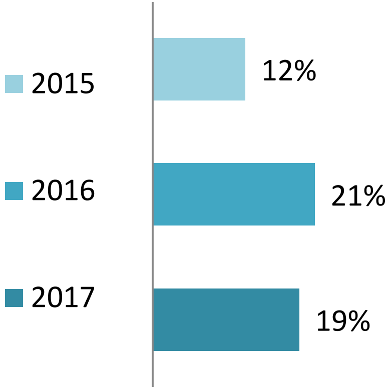
Base: those who access internet on mobile

MOBILE PHONE SWITCHING BEHAVIOR

Switching behavior mainly attributed to attractive promotion from other providers.

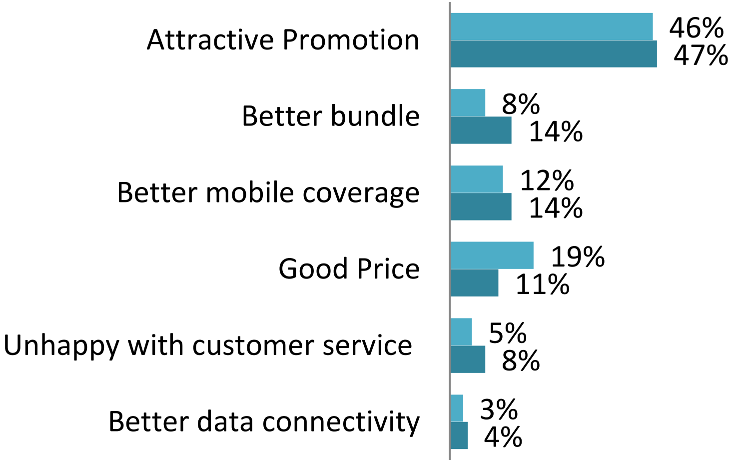
Switched mobile phone providers

Base: those who have a mobile phone



Reasons for switching provider in 2017

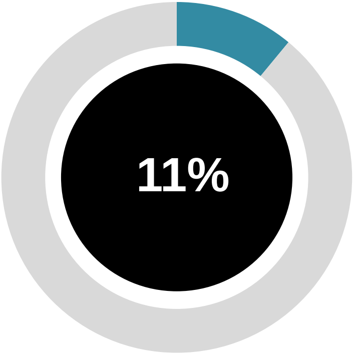
Base: those who have switched their mobile phone provider



MIGRATION FROM PREPAID TO POSTPAID

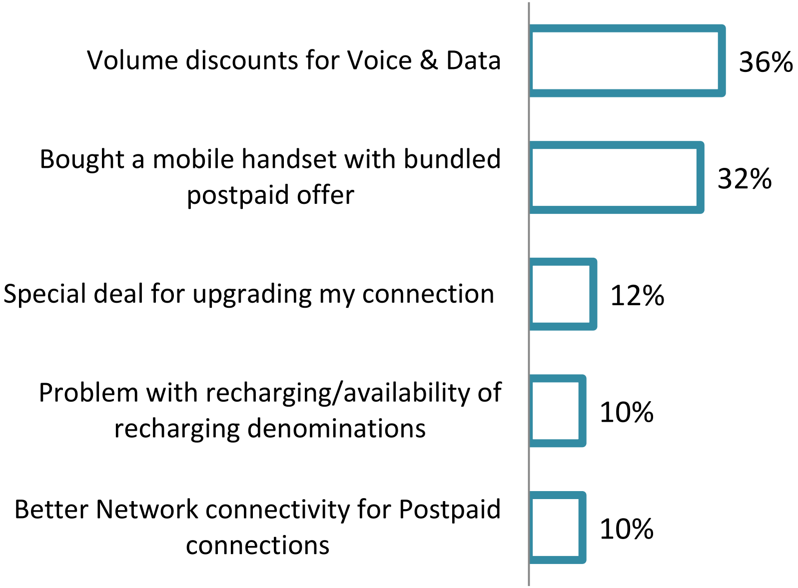
Prepaid users mainly switch to postpaid connection to avail volume discounts for Voice & data and when they buy a new mobile handset with bundled postpaid offer.

Switched from prepaid to postpaid connection in past



Base: all respondents

Reasons for switching from prepaid to postpaid connection

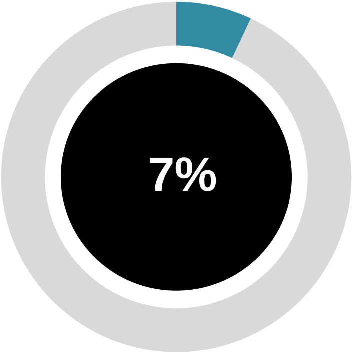


Base: those who switched from prepaid to postpaid

MIGRATION FROM POSTPAID TO PRETPAID

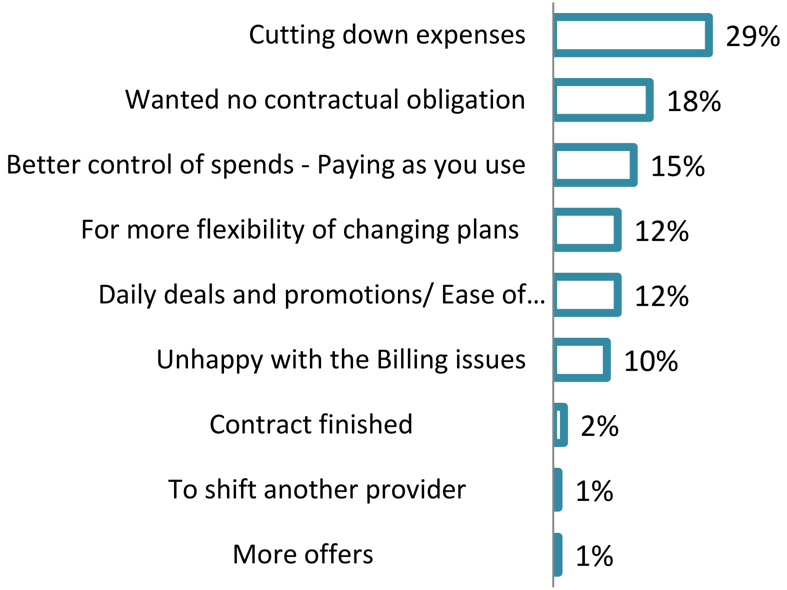
Switching from postpaid to prepaid connection is mostly driven by the need to cut down expenses and to do away with the contractual obligation.

Switched from postpaid to prepaid connection in past



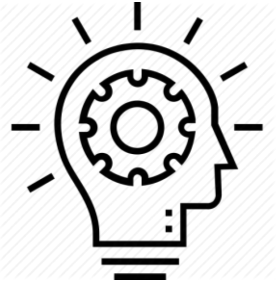
Base: all respondents

Reasons for switching from postpaid to prepaid connection



Base: those who switched from postpaid to prepaid

MOBILE NUMBER PORTABILITY



81% of respondents are aware that they can switch between mobile phone providers without changing their number

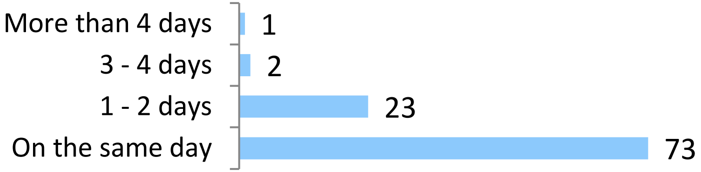
(4% increase vs 2016)

Base: all respondents

26% of those who have switched their mobile phone providers have kept their numbers

(4% drop vs 2016)

Base: those who have switched their mobile phone provider



Time for the new connection to get activated from date of official request

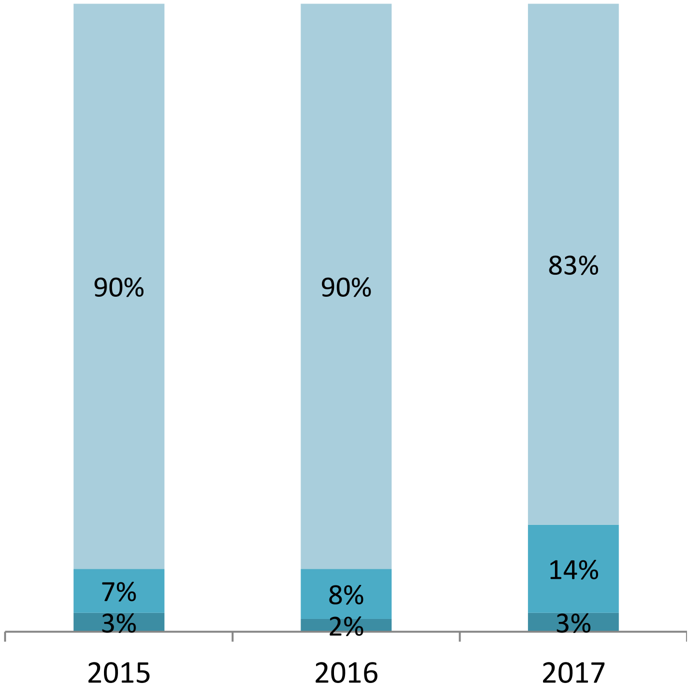
Base: those who have switched their mobile phone provider using number portability

Satisfaction with the overall experience of switching mobile phone without changing the number

Base: those who have switched their mobile phone provider using number portability

OVERALL SATISFACTION WITH MOBILE PHONE SERVICE

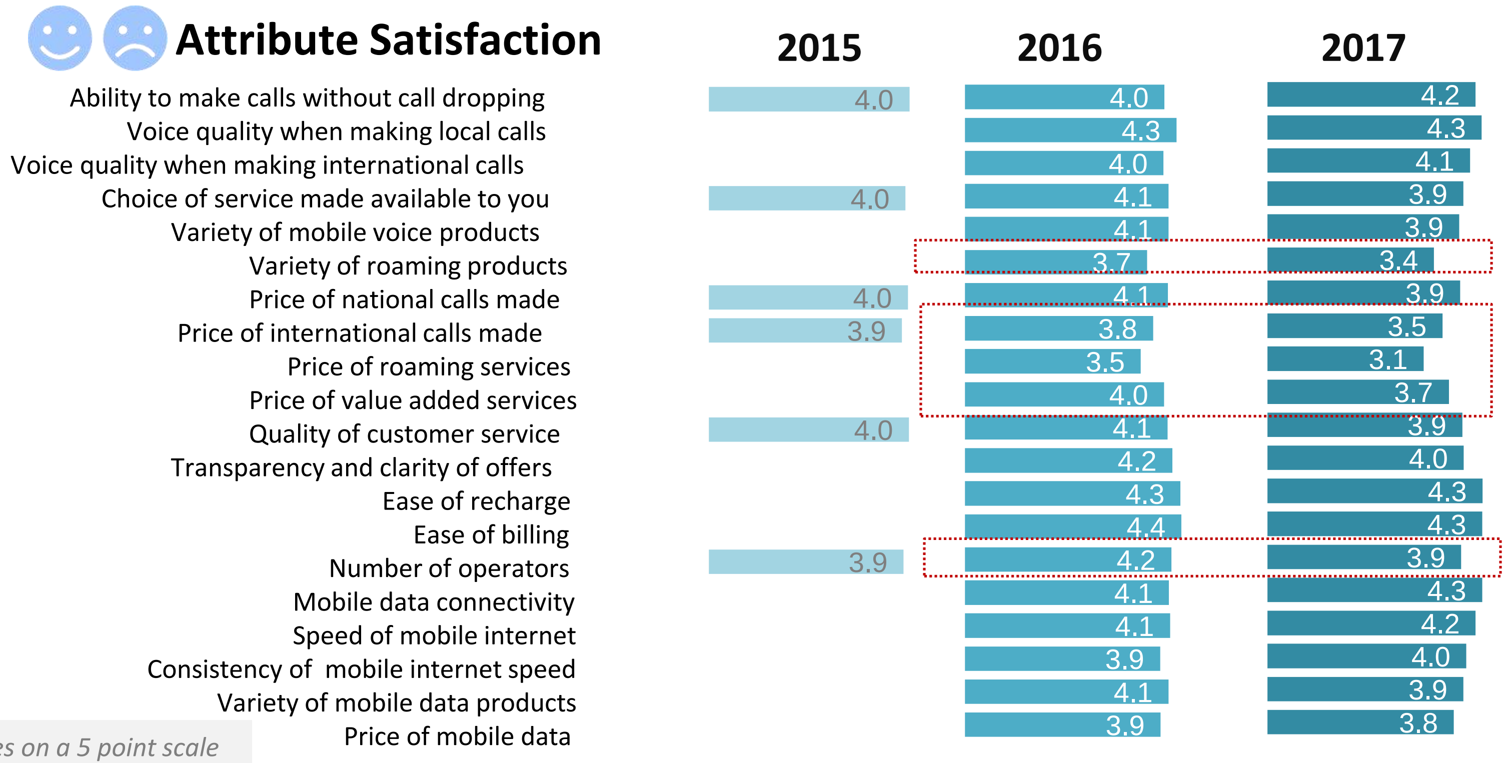
Overall satisfaction with mobile phone services has dropped by 7% in 2017



Base: those who have a mobile phone

WHAT DRIVES SATISFACTION FOR MOBILE SERVICE?

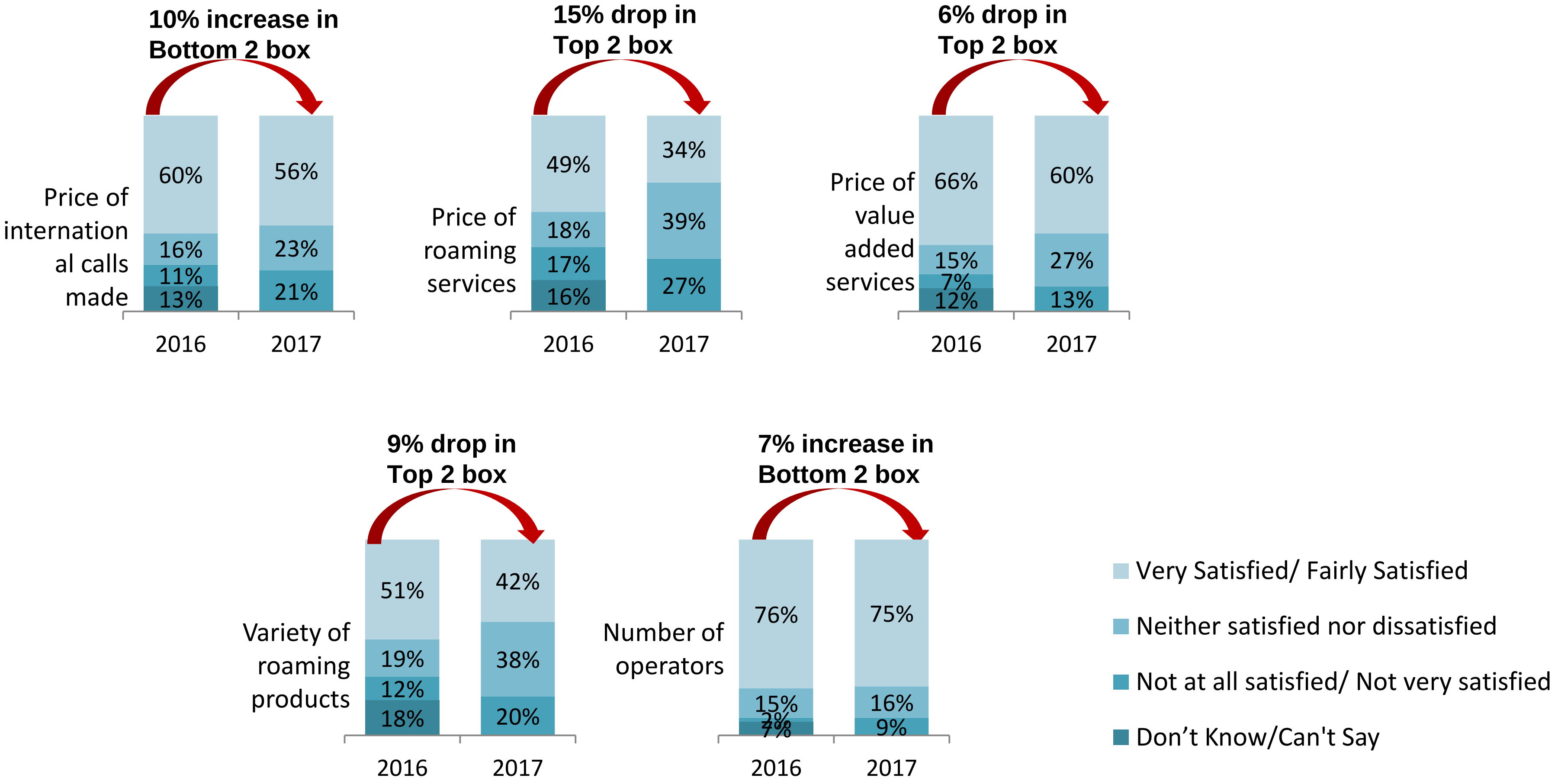
Declining customer satisfaction on price of international calls, price of value added services, price & variety of roaming services and number of operators



Mean scores on a 5 point scale

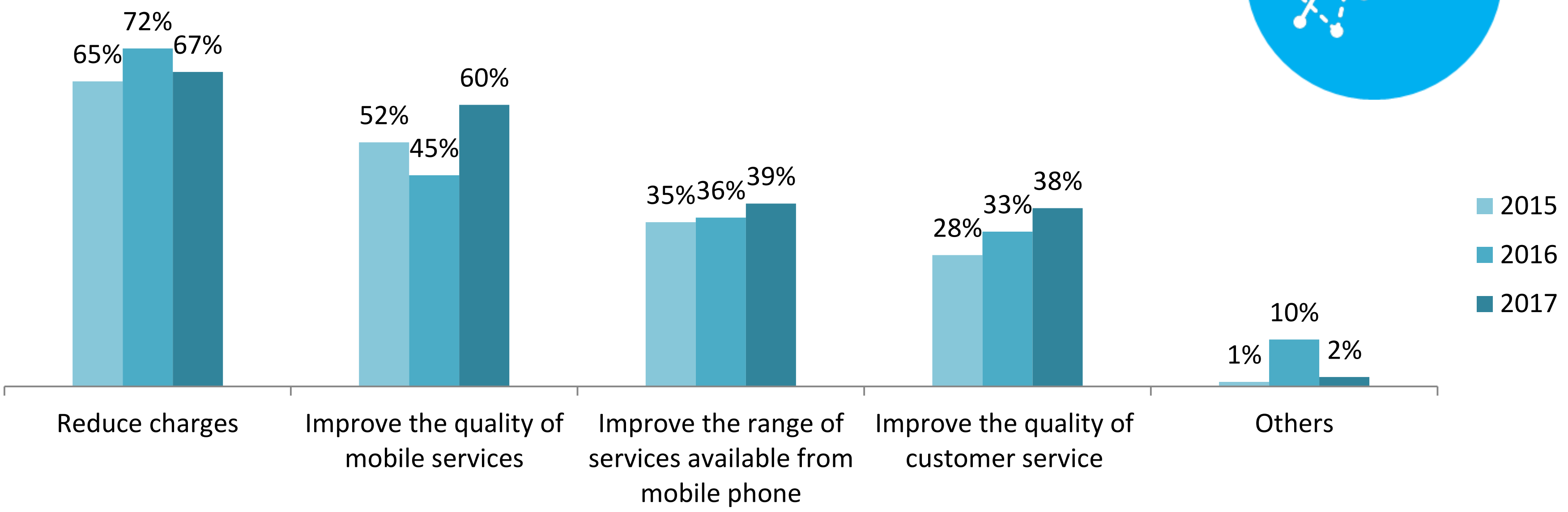
Base: those who have a mobile phone

A DEEP DIVE INTO DECLINING FACTORS



IMPROVEMENT AREAS FOR MOBILE SERVICE

Reduction of charges is maintained as the key improvement sought for mobile phone services.



Base: those who have a mobile phone

INTERNET SERVICE

INTERNET SERVICE

Household Access

99% of respondents claimed to have access to Internet at home

Usage

98% use internet on a daily basis

Monthly Spends

50% of respondents who use the internet spend less than BD 10 per month on their internet services

Switching

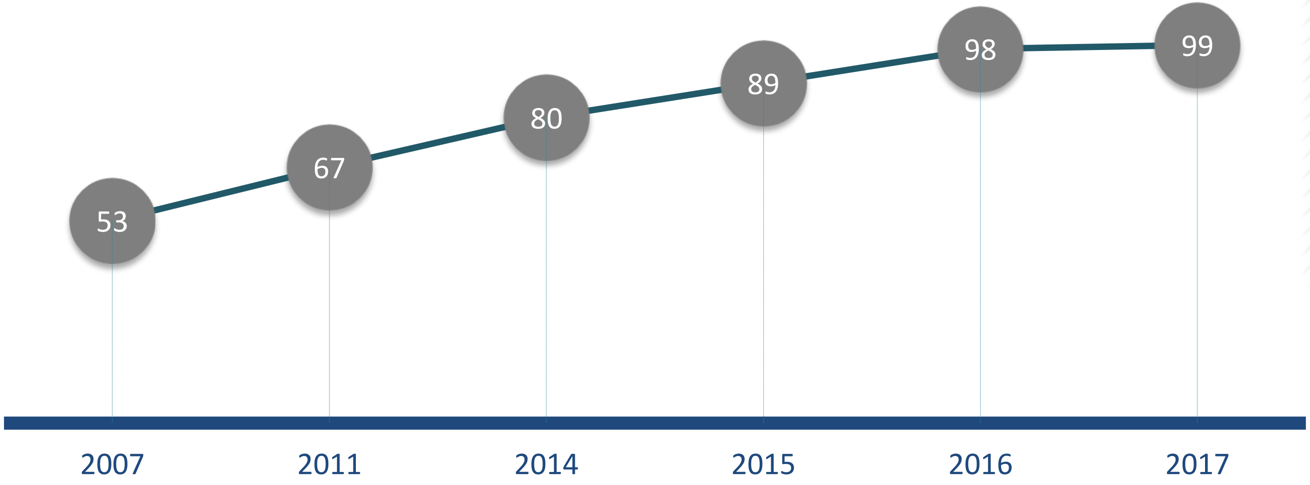
10% of internet users claimed to have switched their Internet service provider in the past; Service Quality emerged as the main reason for switching

Satisfaction

Overall Satisfaction with internet services has dropped by 5% from 90% in 2016 to 85% in 2017

HOUSEHOLDS WITH INTERNET ACCESS

Access to the internet continues to increase. 99% of respondents currently have access to internet at home compared with 53% in 2007.

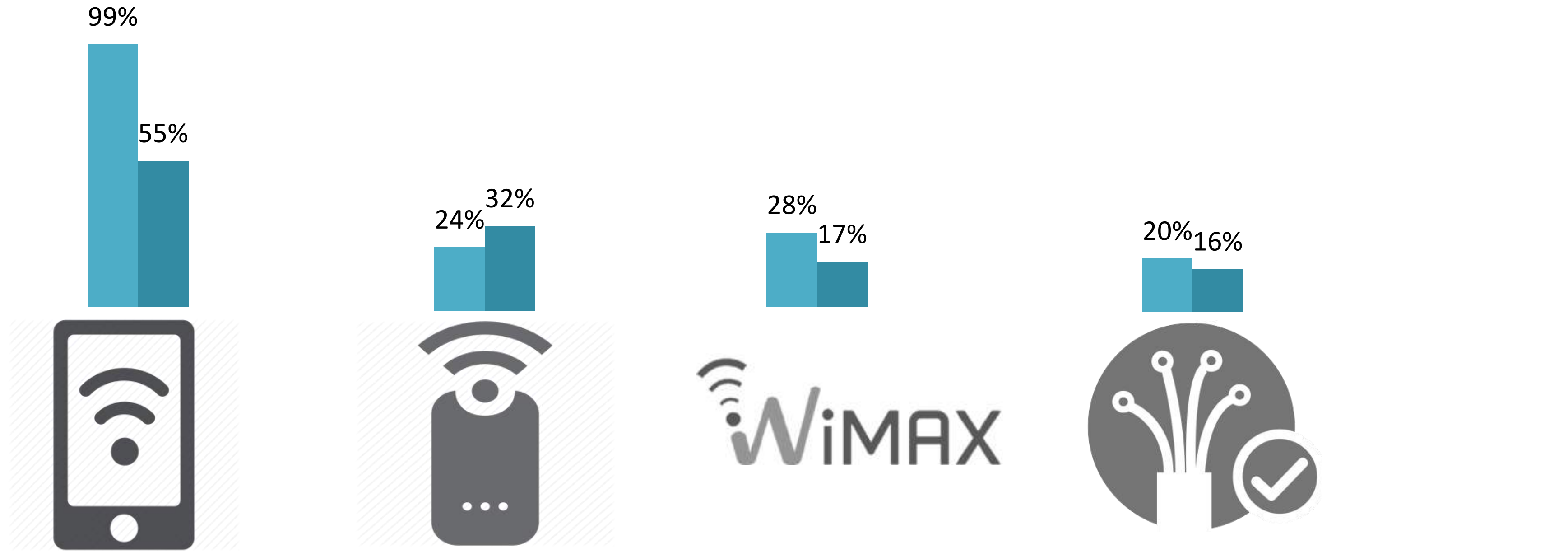


Figures in %

Base: all respondents

TYPES OF INTERNET ACCESS AT HOME

Mobile broadband is maintained as the primary mode of internet access at home. While 90% of mobile users claimed to have data subscription on their mobile, a large proportion of them use alternative mediums to access internet at home.



Mobile broadband network via handsets (data added to voice)

Mobile broadband network via SIM card, USB Modem or router

Fixed wireless broadband (e.g. Wimax)

Fixed wired broadband (e.g. DSL and Fibre-to-the-home/building)

Base: all with internet access at home

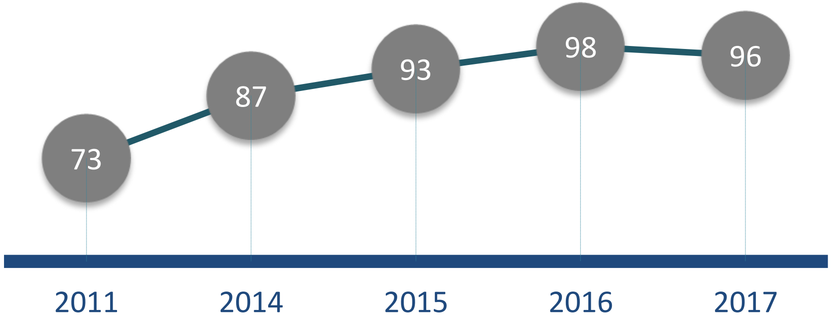
INTERNET USAGE IN LAST 3 MONTHS

Internet is being used everyday to a great extent.

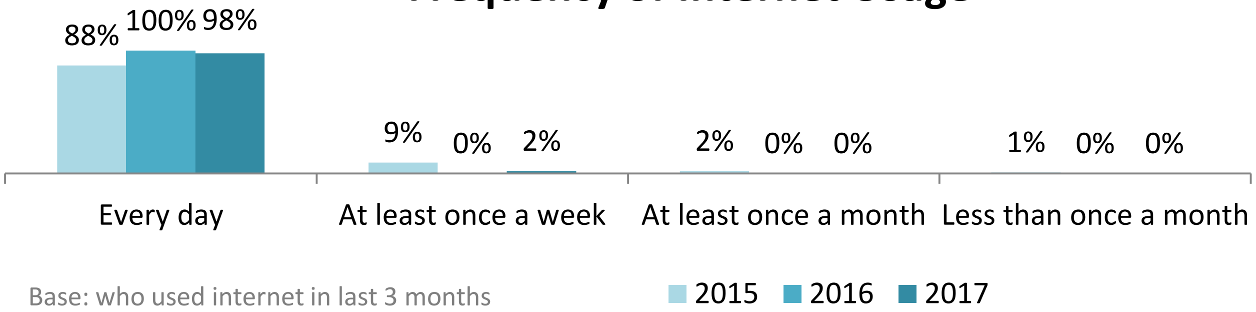
Used Internet in Last 3 Months

Figures in %

Base: all respondents



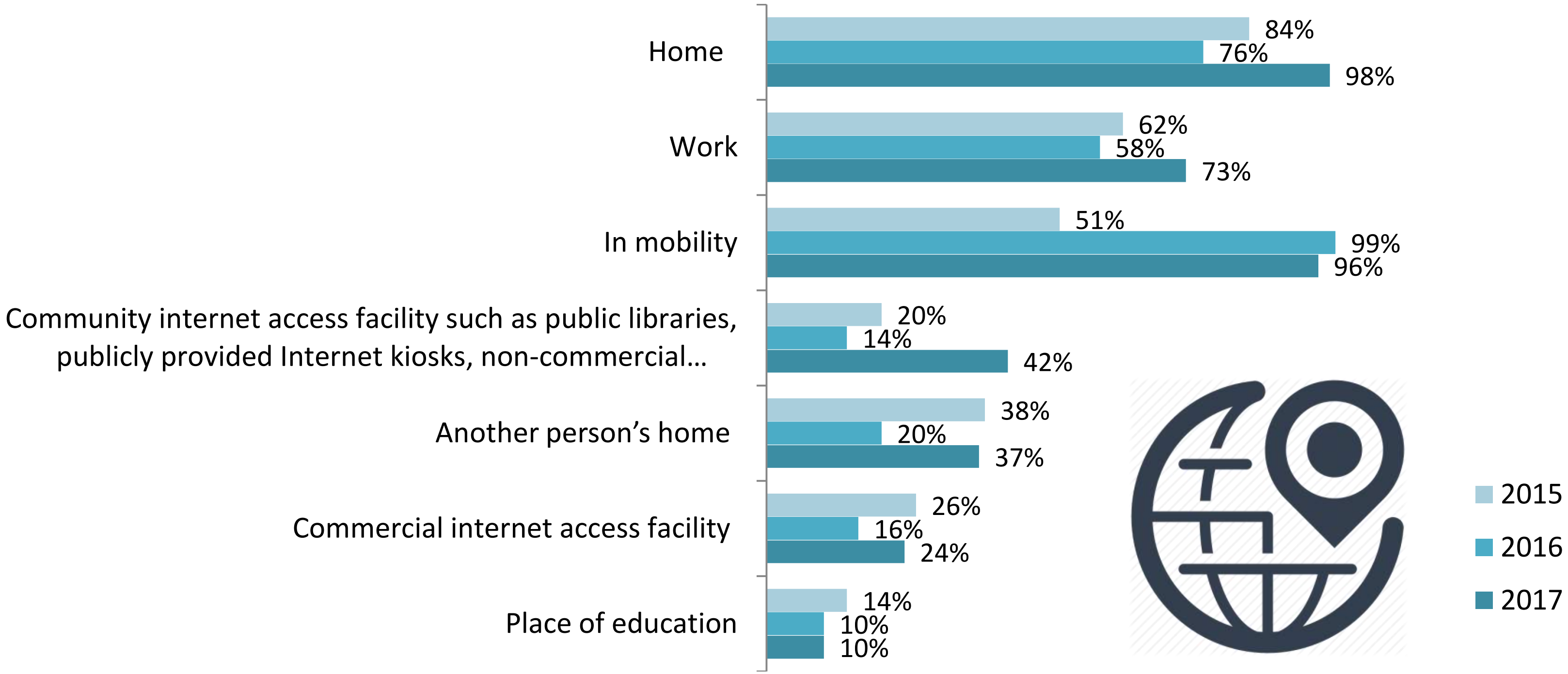
Frequency of Internet Usage



Base: who used internet in last 3 months

LOCATION OF INTERNET USAGE

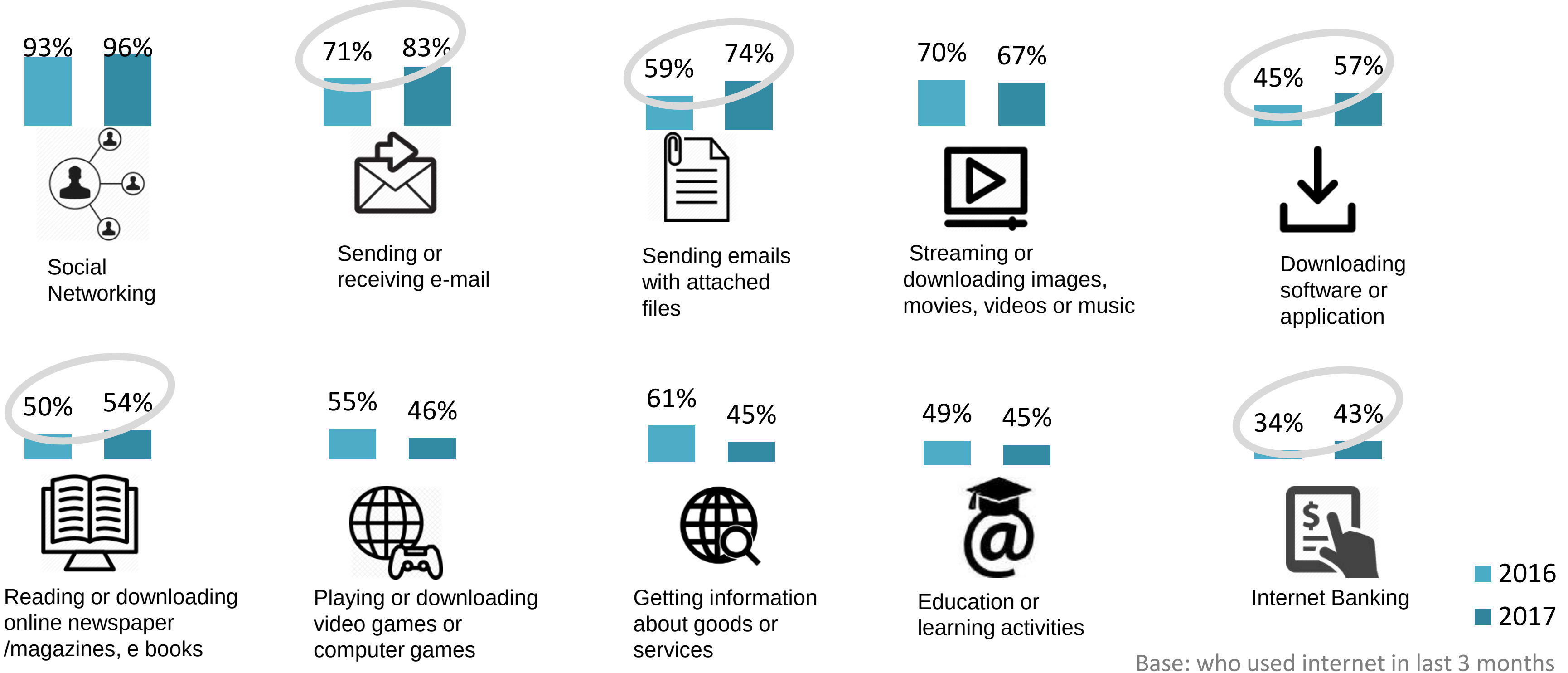
Internet usage has mostly increased from last year across various locations.



Base: who used internet in last 3 months

POPULAR ACTIVITIES ON INTERNET

2017 survey suggests social networking as the most popular online activity. Significant increase from last year in using emails, internet banking, downloading software and reading/downloading newspapers, ebooks and magazines.

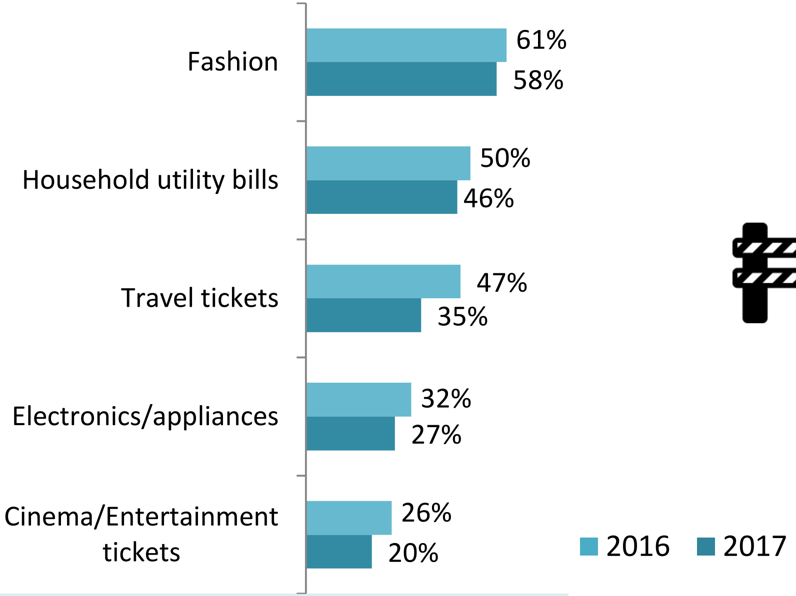


Base: who used internet in last 3 months

WHAT ARE PEOPLE BUYING ONLINE?

22% of Internet users claimed to have made an online purchase in the last 3 months.

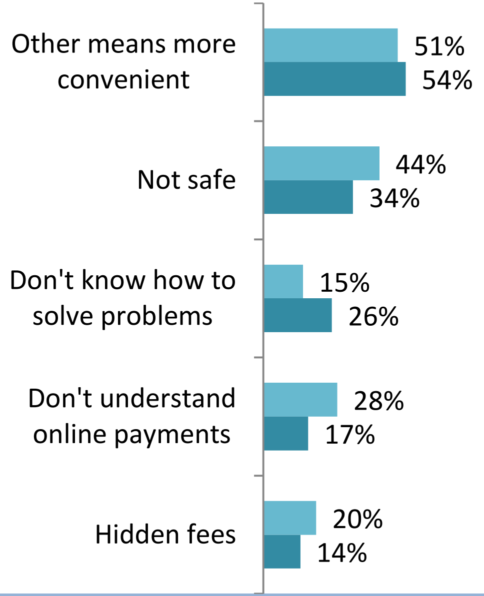
Top 5 Goods Purchased Online



Those shopping online –use it primarily to purchase fashion products, followed by bill payments

Base: those who have purchased online

Barriers To Online Purchases



The main barriers for online shopping are more convenient alternatives and the fear of transaction being unsafe

Base: those who have not purchased online

SPEED OF INTERNET SERVICE

Most of the survey respondents claimed to have an internet speed of 10Mbps or more.

	Less than 2 Mbps	2 Mbps to less than 10 Mbps	10 Mbps or more	
FIXED WIRED BROADBAND (e.g. DSL AND FIBRE)	3%	15%	26%	*56% DK/CS Response
FIXED WIRELESS BROADBAND (e.g. WIMAX)	2%	19%	19%	*60% DK/CS Response

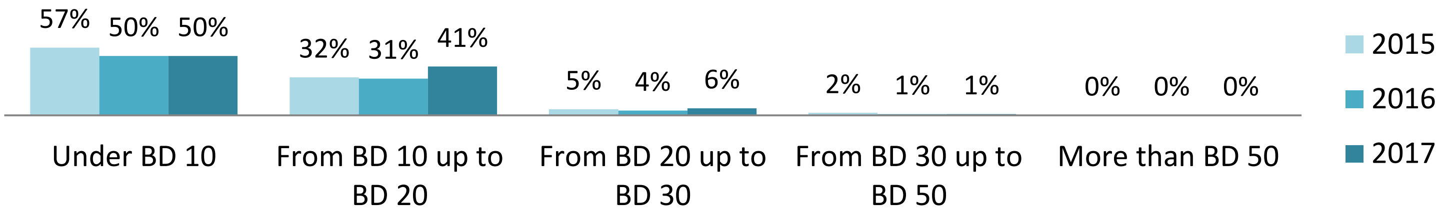
Base: who used Fixed wired broadband

Base: who used Fixed wireless broadband

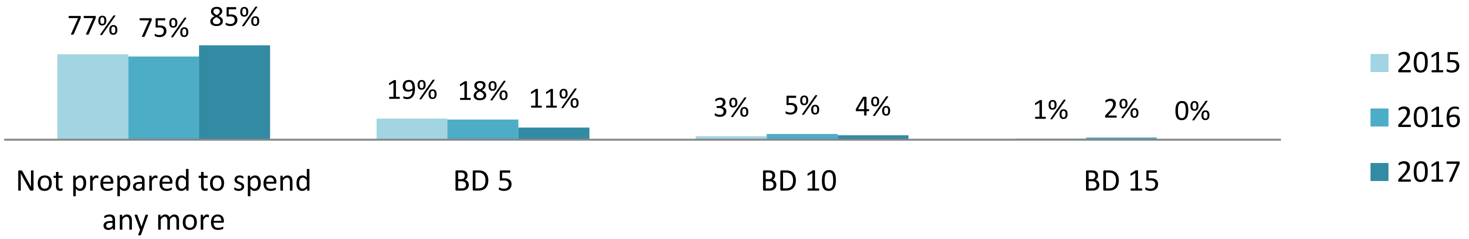
SPENDS ON INTERNET SERVICE

50% of respondents spend less than BD 10 per month on their internet services. Furthermore, most people are not willing to pay extra for 100 Mb connection.

Average Monthly Spends



Willingness to pay extra for higher speed

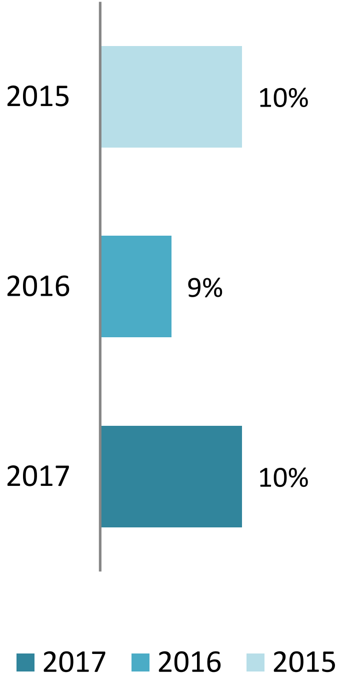


Base: who used internet in last 3 months

SWITCHING INTERNET SERVICE PROVIDER

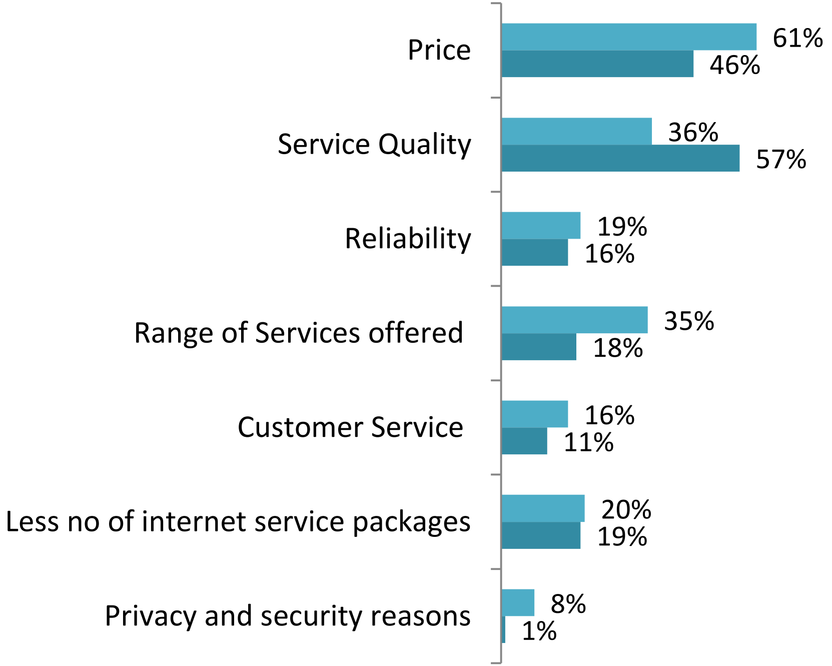
Proportion of respondents switching their internet providers remains stable. Service quality emerged as the main reason for switching internet service provider.

Switched Internet service provider in the past



Base: those who have used internet from any location in last 3 months

Reasons for Switching Internet Provider

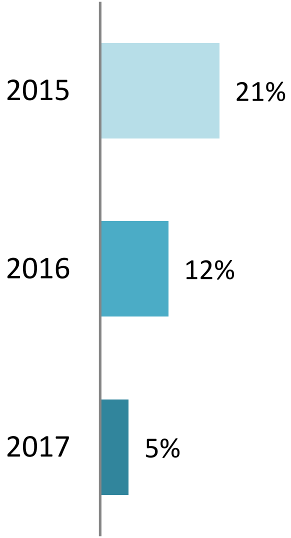


Base: those who have switched their internet service provider

SWITCHING FROM FIXED TO MOBILE INTERNET

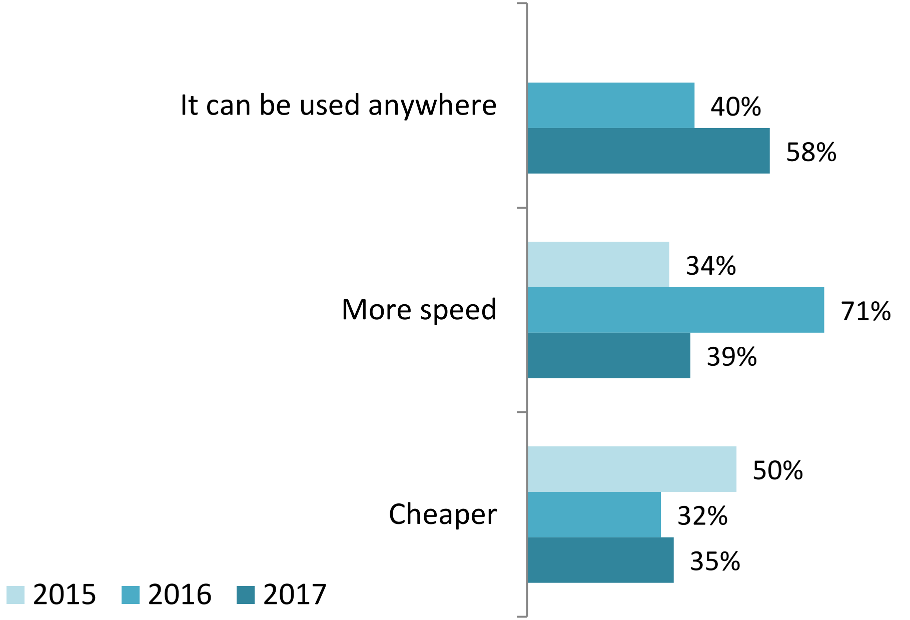
5% of respondents who have used internet from any location in the last 3 months have replaced their fixed internet with mobile internet, primarily because of their need to access internet on the go.

Replaced fixed internet service with mobile internet



Base: those who have used internet from any location in at three months

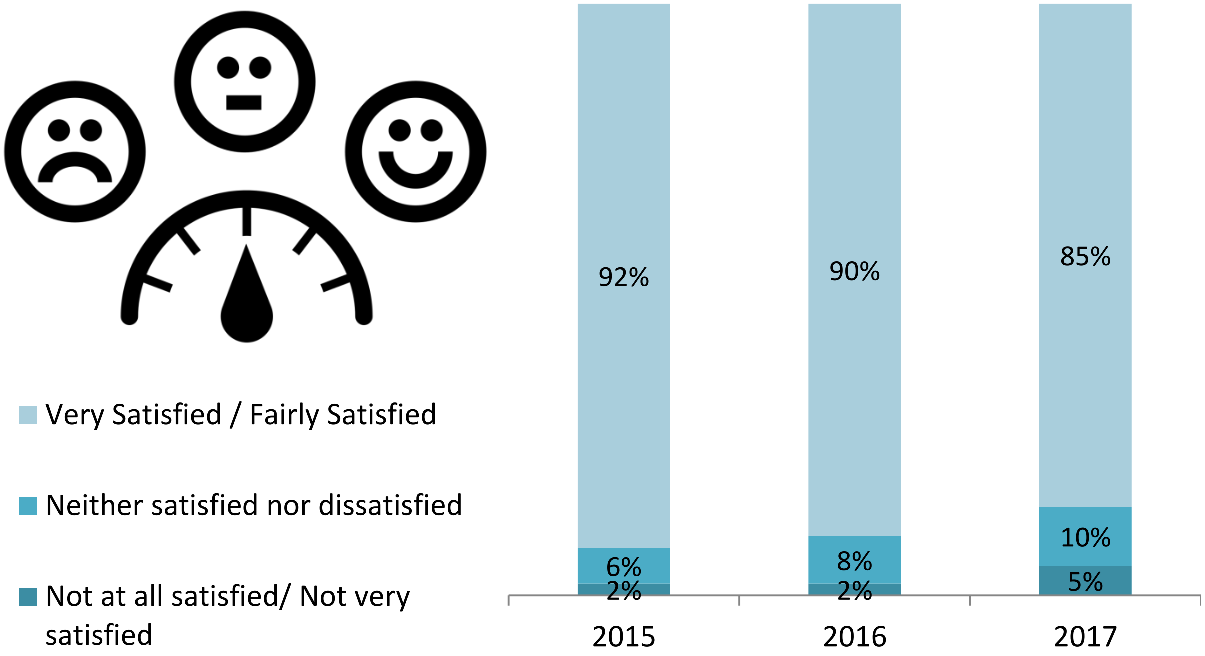
Reasons for replacing fixed broadband with mobile internet



Base: those who replaced fixed internet service with mobile internet

OVERALL SATISFACTION WITH INTERNET SERVICE

5% decline in overall satisfaction for internet services in 2017.



Base: those who have used internet from any location in last 3 months

WHAT DRIVES SATISFACTION FOR INTERNET?

Marginal drop in satisfaction levels for reliability of internet services, value for money and service provider's responsiveness to dealing with problems.

Attribute Satisfaction

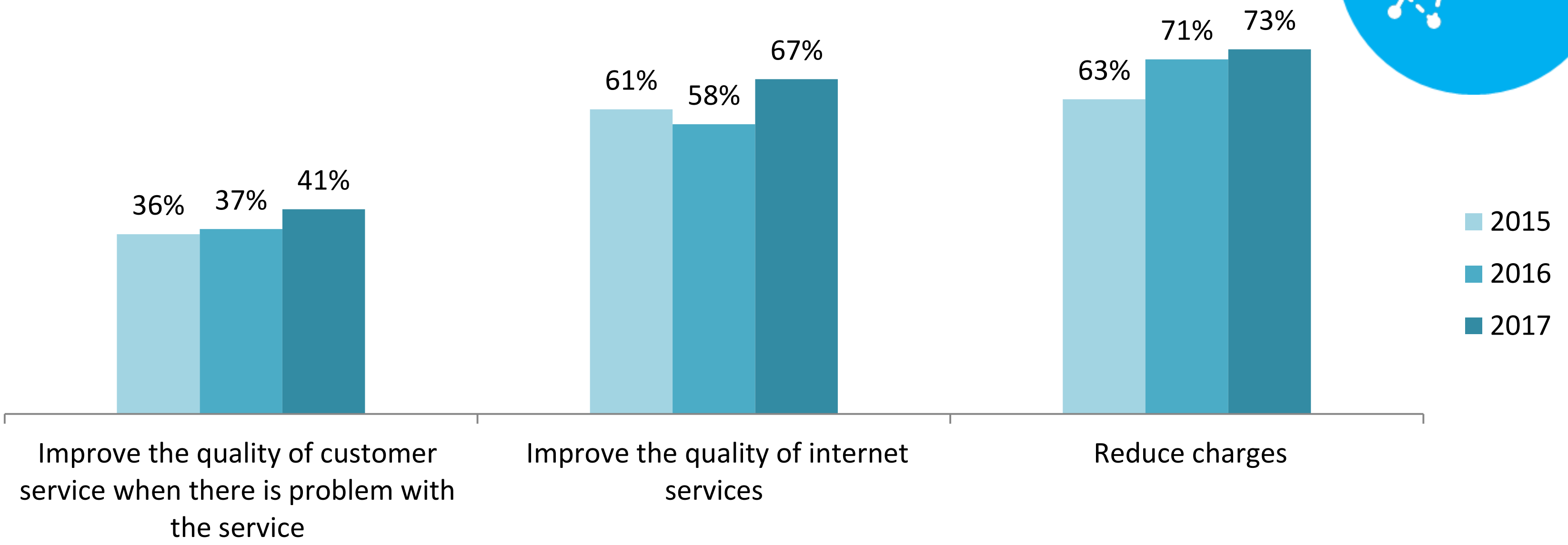
Attribute Satisfaction	2015	2016	2017
Reliability of the internet service	4.1	4.1	4.0
Service provider response while dealing with problems	4.1	4.0	3.9
Overall value for money	4.1	3.9	3.8
Speed of internet		4.1	4.1
Consistency of internet speed		3.9	4.0
Range of internet speed packages		4.0	4.0
Speed and quality of internet services at commercial places		4.1	4.0
Speed and quality of internet services at community facilities		4.0	4.0

Mean scores on a 5 point scale

Base: those who have used internet from any location in last 3 months

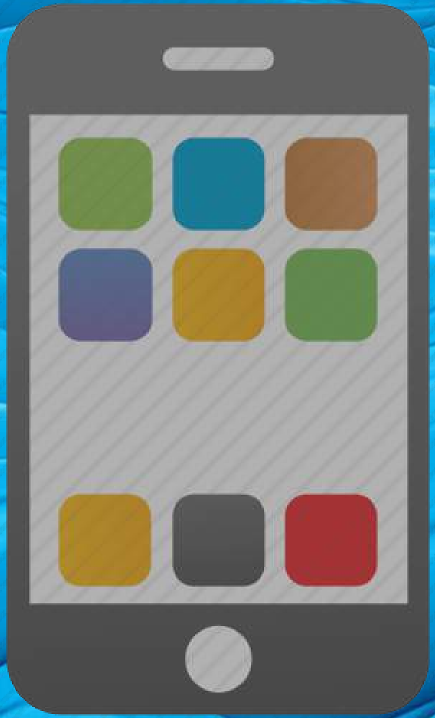
IMPROVEMENT AREAS FOR INTERNET SERVICE

9% increase in number of internet users who are seeking improvement in the quality of internet services.



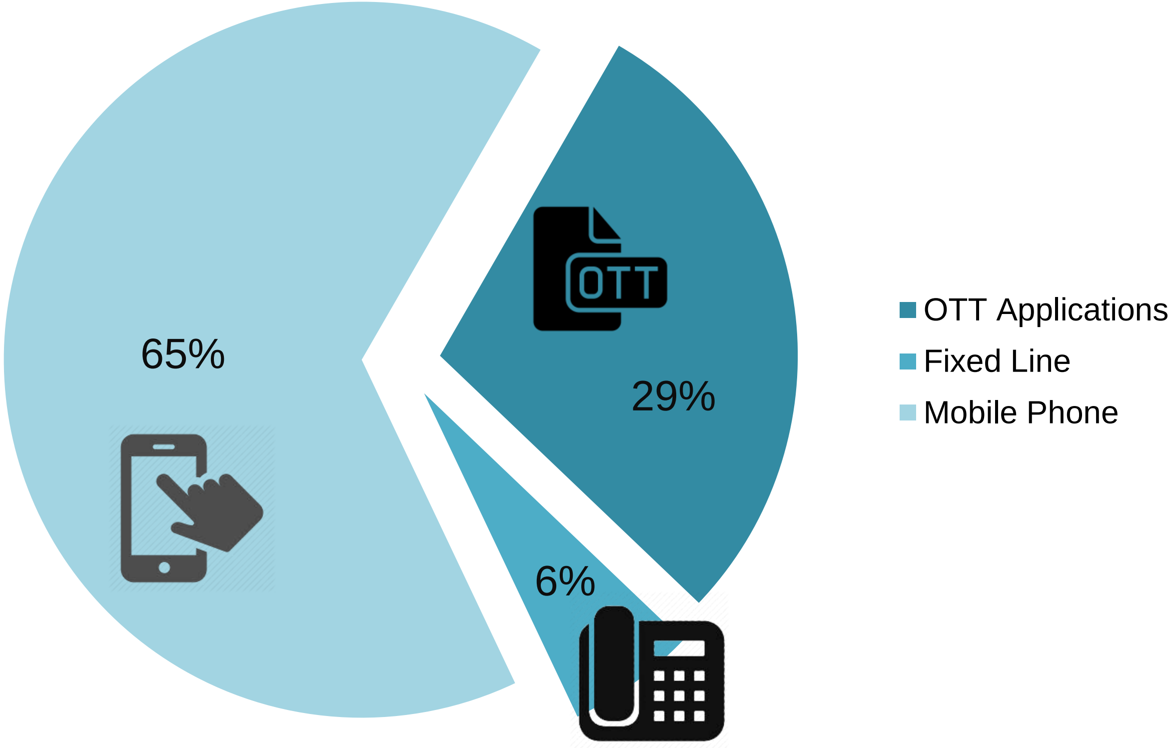
Base: those who have used internet from any location in last 3 months

OTT APPLICATION



CALLS FROM FIXED LINE/ MOBILE / OTT

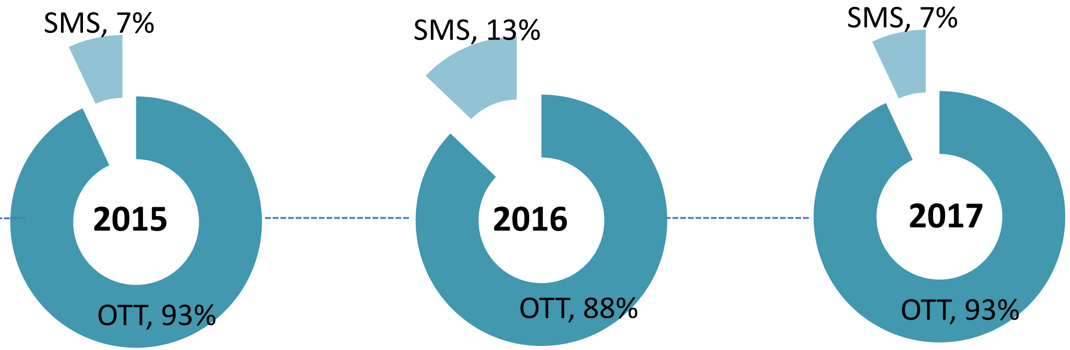
On an average, 29% of local calls are made through the use of OTT applications.



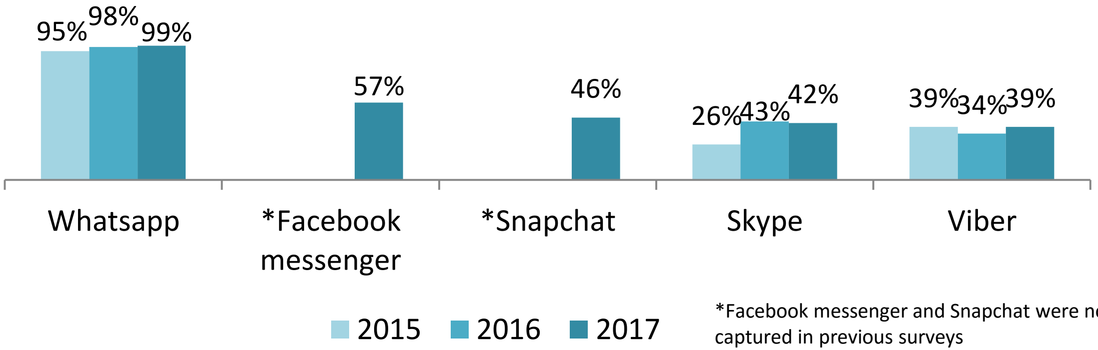
USE OF OTT APPLICATION

After WhatsApp, Facebook Messenger and Snapchat were acknowledged as the most used OTT applications in 2017.

Proportion of messaging SMS vs OTT



Popular OTT apps used at least once a day to communicate with friends and family



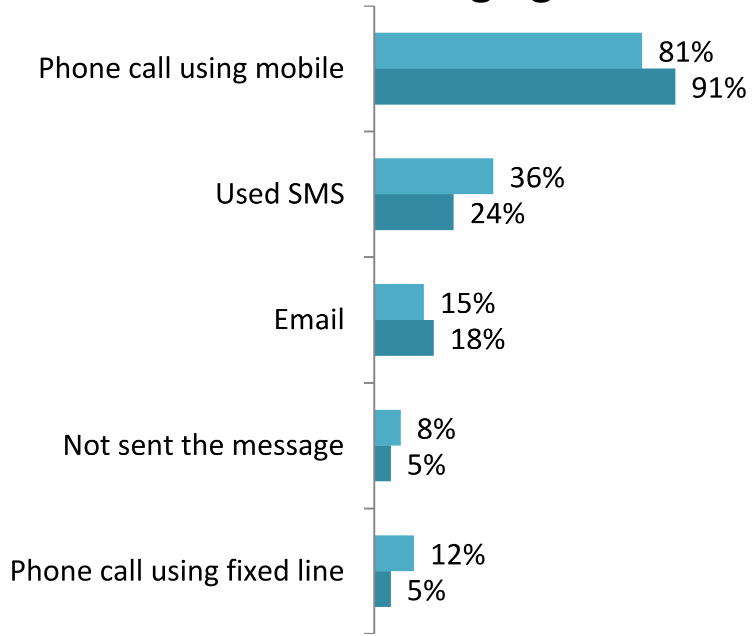
Base: those who use internet on mobile

*Facebook messenger and Snapchat were not captured in previous surveys

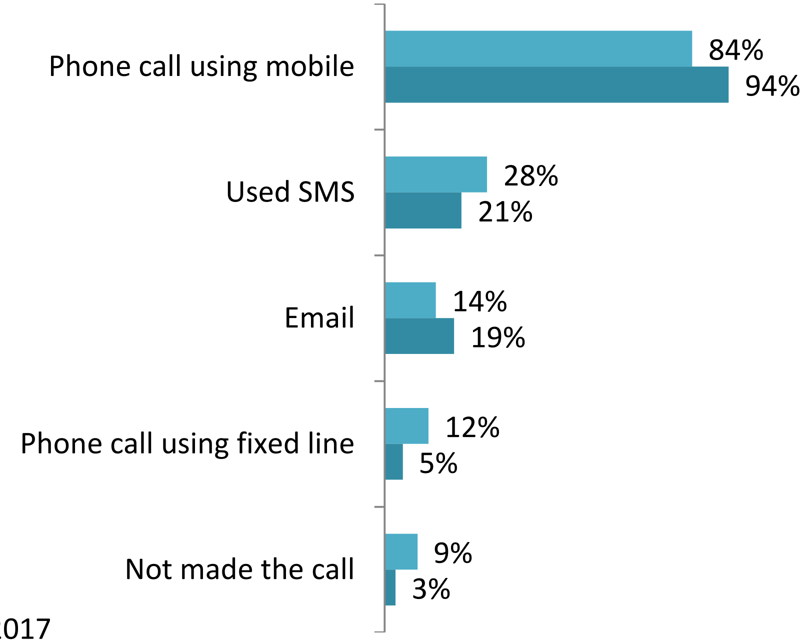
ALTERNATIVES TO OTT APPLICATION

Calling using mobile continues to be the preferred alternative in case of unavailability of OTT services.

Alternatives to OTT Apps for Instant Messaging



Alternatives to OTT Apps for Calls

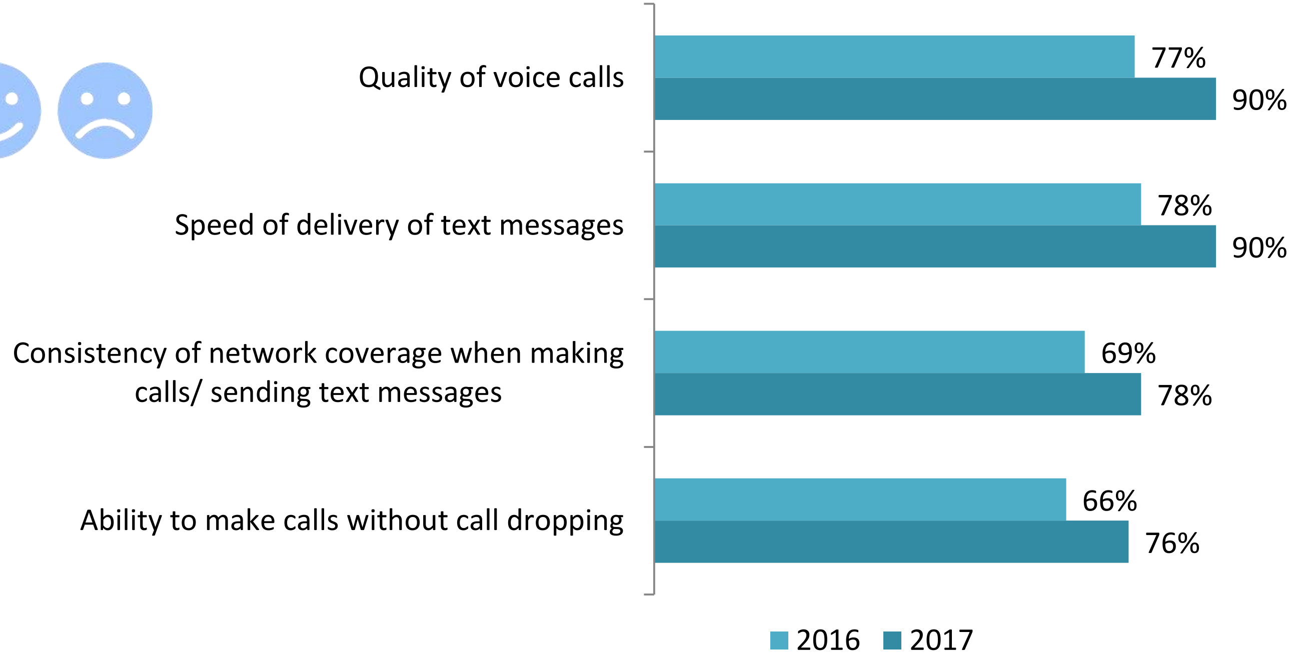


2016 2017

Base: those using OTT service

SATISFACTION WITH OTT SERVICES

An all around improvement in satisfaction for OTT services from last year. In 2017, OTT users are most satisfied with Quality of voice calls and Speed of text delivery.



Top 2 Box score on a 5 point scale

Base: those using OTT service

INTERNATIONAL CALLS & ROAMING SERVICE

INTERNATIONAL CALLS & ROAMING

OTT Vs. Normal Voice Calling

57% of international calls are made using smart phone applications, 37% of international calls are directly made through mobile phone and the rest 6% by using other services

% based on time spent on making international calls

Data Roaming

12% of respondents claimed to have availed data roaming services in the past

Countries Called

India is the most called international destination, followed by UAE and Saudi Arabia

Preference factor for International Calls

Quality of Service and Cost of calls are the key factors that decide the most suitable medium used for making international calls

PROPORTION OF INTERNATIONAL CALLS

+10 %

57% of the calls made by respondents were using **Smartphone Apps**

+5 %

37% of the calls made by respondents were using **mobile phones**

-5 %

5% of the calls made by respondents were using **Softphone application provided by your operator (VoIP)**

-10 %

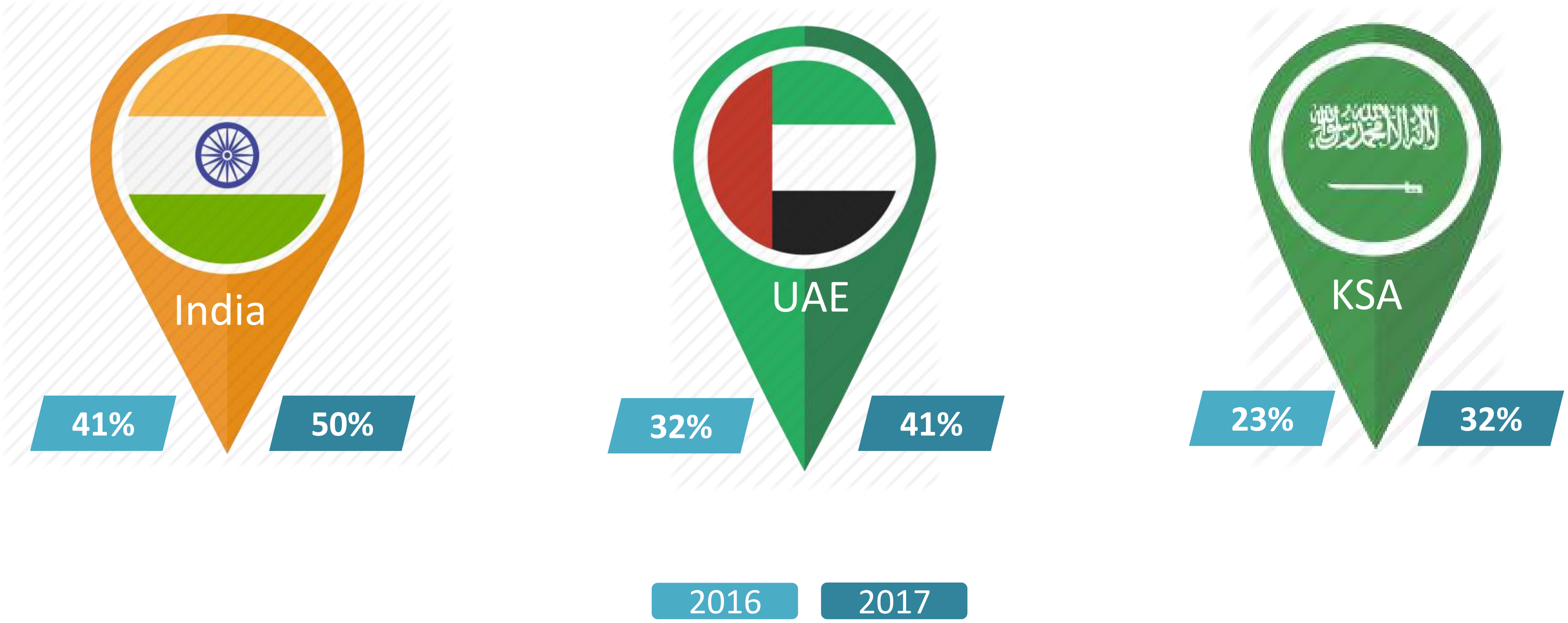
1% of the calls made by respondents were using **fixed line**

% Change from 2016

Base: all who make international calls

MOST CALLED INTERNATIONAL DESTINATIONS

India emerges as the top International calling destination, followed by UAE and KSA.



Base: all who make international calls

IMPORTANT FACTORS FOR INTERNATIONAL CALLING

Quality of Service and Cost of calls are the most important factors considered when making an international call.

	Privacy & Security	Quality of Service	Convenience	Cost of Calls
2017	97%	99%	97%	98%
2016	92%	91%	87%	95%

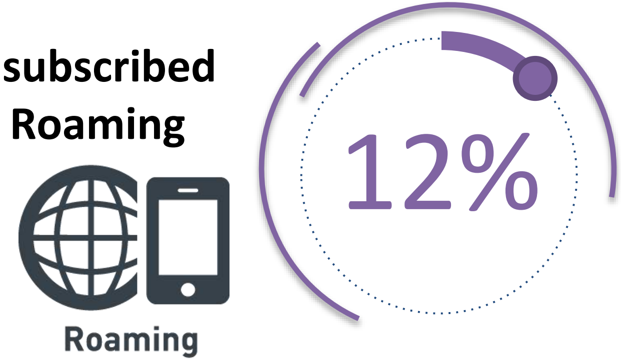
T2B%

Base: all who make international calls

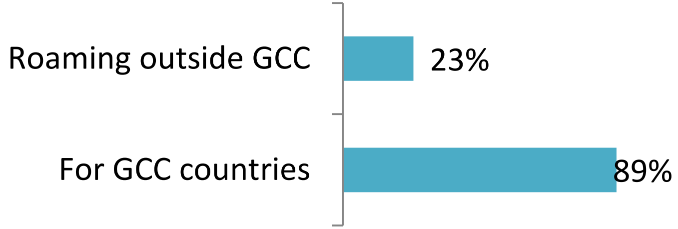
ROAMING SERVICE

12% of respondents claimed to have ever used the data roaming services, mostly for GCC countries. Buying local SIM is the most common way of making calls to Bahrain when traveling abroad.

Ever subscribed Data Roaming Pack

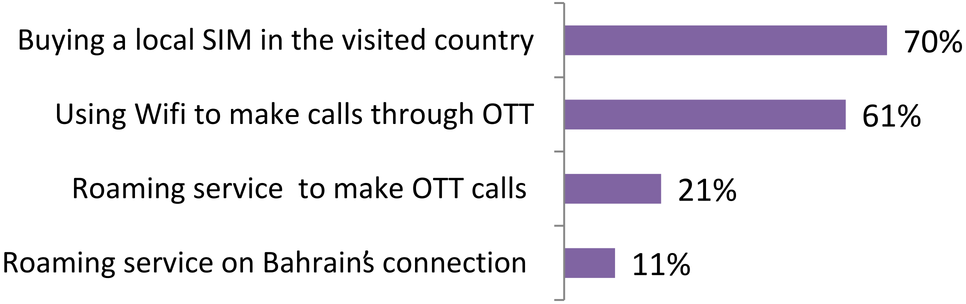


Type of Data Roaming Plan



Base: those who subscribe to data roaming pack

How calls to Bahrain are made when traveling abroad



Base: all respondents