

2014 TELECOMMUNICATIONS MARKET SURVEY REPORT – BUSINESS RESULTS

9 FEBRUARY 2015



هيئة تنظيم الاتصالات
Telecommunications Regulatory Authority

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- TRA notes that the information contained in this report is based on a survey of a sample of 252 business consumers and as such may not necessarily represent the market or the population as a whole.
- This survey is wide in scope, and because of the reliance on third-party data we cannot always fully guarantee the accuracy of data. We have carried out comprehensive checks as far as is reasonably possible and have acted to ensure that the data in this survey are comprehensive and the most accurate currently available
- The information set out in this survey does not represent any conclusion or proposal by the TRA in respect of the current or future definition of markets, nor does it represent any conclusion or proposal about the assessment of significant market power for the purpose of the Telecommunications Law of the Kingdom of Bahrain.
- This survey fulfills the requirement to undertake research and publish information as set out in Article 54 of the Law. It also fulfills the requirement of Article 25 to provide information to the Regulator as set out in the Individual Licenses granted to the Operators mentioned in this survey

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Introduction

Research Background
Research Objectives

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- The Telecommunications Regulatory Authority of Bahrain (TRA) was formed in October 2002. TRA is an independent body which has a direct responsibility to ensure effective liberalization of the telecommunications market.
- TRA has commissioned Nielsen to conduct a market research study in 2014 with the objective of better understanding the demand for telecommunications services in Bahrain. This includes usage of and access to telecom services across various users as well as consumer awareness of TRA and its role. It also outlines numerous areas of progress in the telecommunications sector in Bahrain
- The telecom users are divided into two broad segments (Residential and Business), thus two separate modules were conducted to collect the required information.
- This report presents the results of business survey which was based on 252 face to face interviews.
- TRA also conducted a similar survey in 2007 and 2011. The results of these surveys can be found at: <http://www.tra.org.bh/en/media/consumer-and-business-surveys/>

- The key objectives of this phase of the study are to understand the following :

Detailed Access to and Usage of Telecom
Services in Bahrain - Fixed Line, Mobile
and Internet

Satisfaction with Various Services and
Switching Behavior

Awareness of TRA and Its Activities

- Where appropriate the results of the 2014 survey have been compared with the results from the 2007 and 2011 surveys to identify the key trends during this period.



KEY RESEARCH FINDINGS

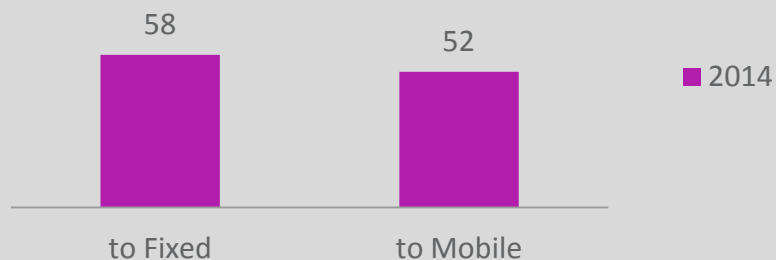
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USAGE OF TELECOMS SERVICES IN BAHRAIN

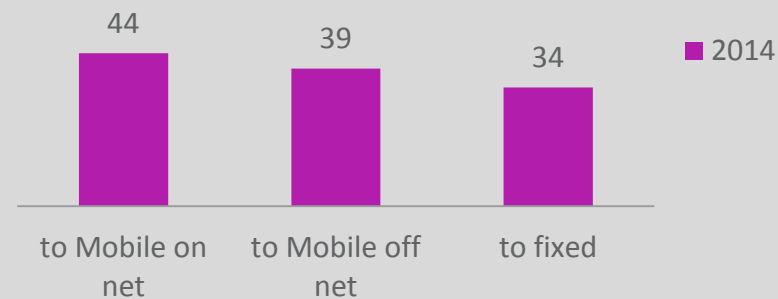
- Average number of national calls made from fixed line is slightly greater than average number of national calls made from mobile phone.

Average Number of National Calls From Fixed Line (on a daily basis)



Base: All Respondents 2014 (n=252), 2011(n=250), 2007(n=159)

Average Number of National Calls From Mobile Phone (on a daily basis)



Base: All Respondents 2014(n=172) 2011(n=250), 2007(n=159)

Q15. Please see this card tell me how many calls are made approximately on a daily basis from fixed line?

Q34. how many calls are made approximately on a daily basis from mobile?

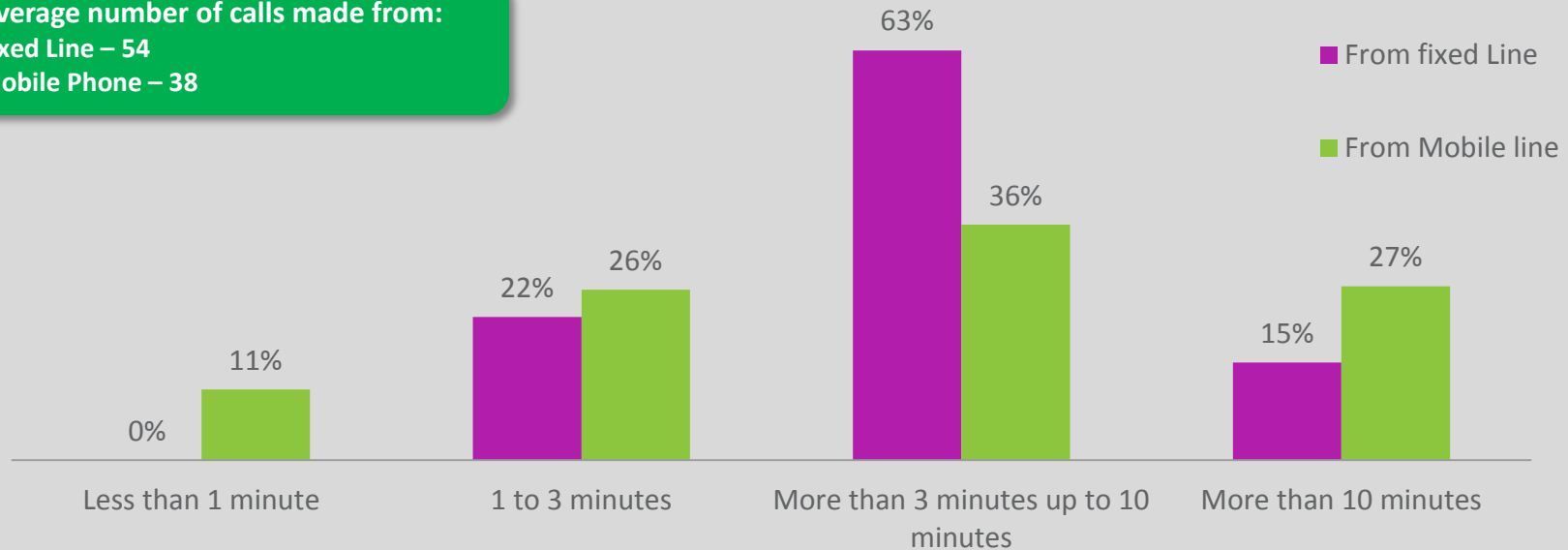


USAGE OF TELECOMS SERVICES IN BAHRAIN

- 78% of businesses make a fixed line call with a duration of more than 3 minutes while 63% of businesses make a mobile phone call with a duration more than 3 minutes.
- Average number of national calls made from fixed line are higher than average number of national calls made from mobile phone.

Duration of National Calls from fixed line

Average number of calls made from:
Fixed Line – 54
Mobile Phone – 38



Base: All Respondents 2014 (n=250)

Q16. Could you please tell me the approximate average length in minutes of national (local) calls you would make from your organization's fixed line?

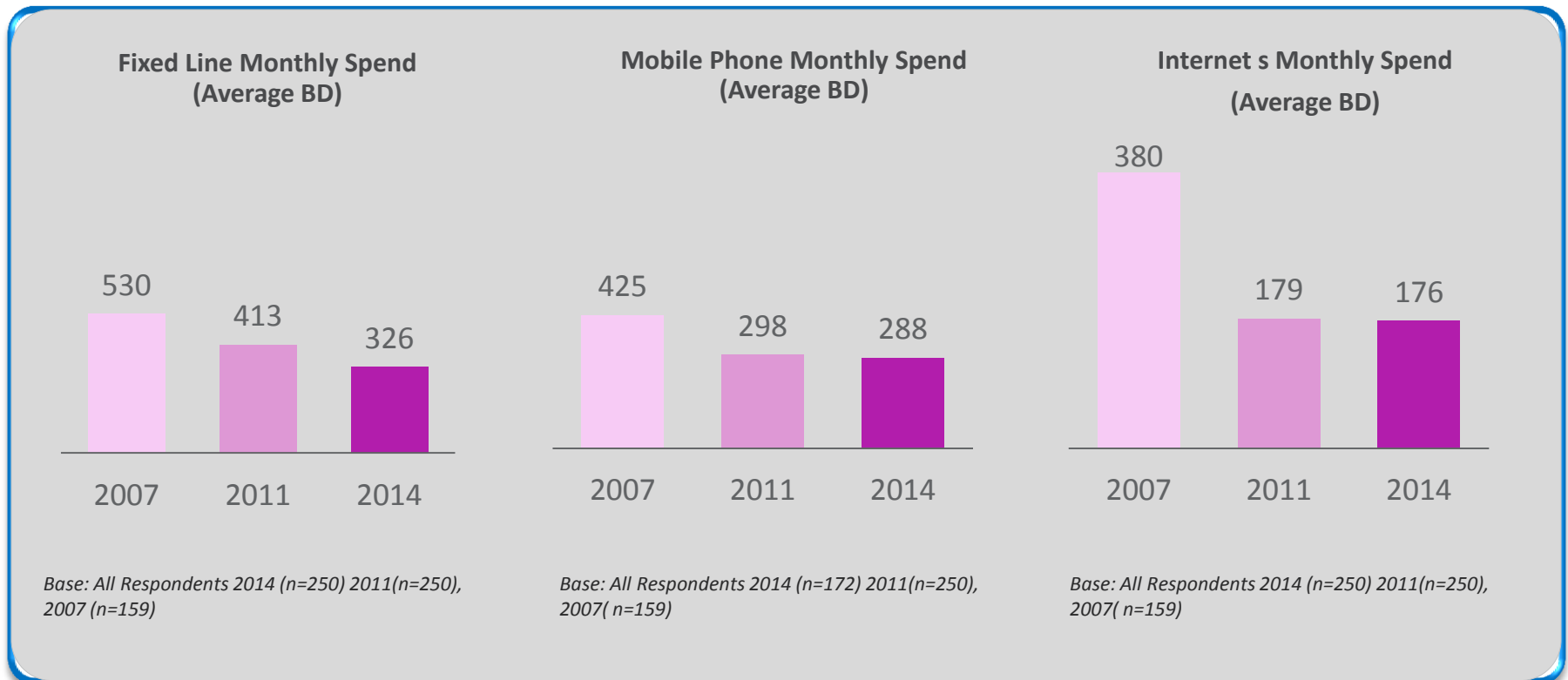
Q36. Could you please tell me the approximate average length in minute of national (local) calls that are made from your organization's mobile phone?

[Q15] Please see this card tell me how many calls are made approximately on a daily basis?

[Q34] Now I would like to know the number of calls made through mobile. As I read out each type please see this card tell me how many calls are made approximately on a daily basis?

AVERAGE MONTHLY SPEND

- With a reduction in the number of calls made from fixed line, the average monthly spend for fixed line services has decreased since 2011.
- Spend for data services has remained almost same whereas there has been a slightly decreased in spend on mobile phones.



Q23 Could you please tell me what is your average monthly spend on Fixed Line (including fax) on National Calls

Q41 On average, how much does your organization spend each month on mobile phone services (for mobile connections owned by the organization?)

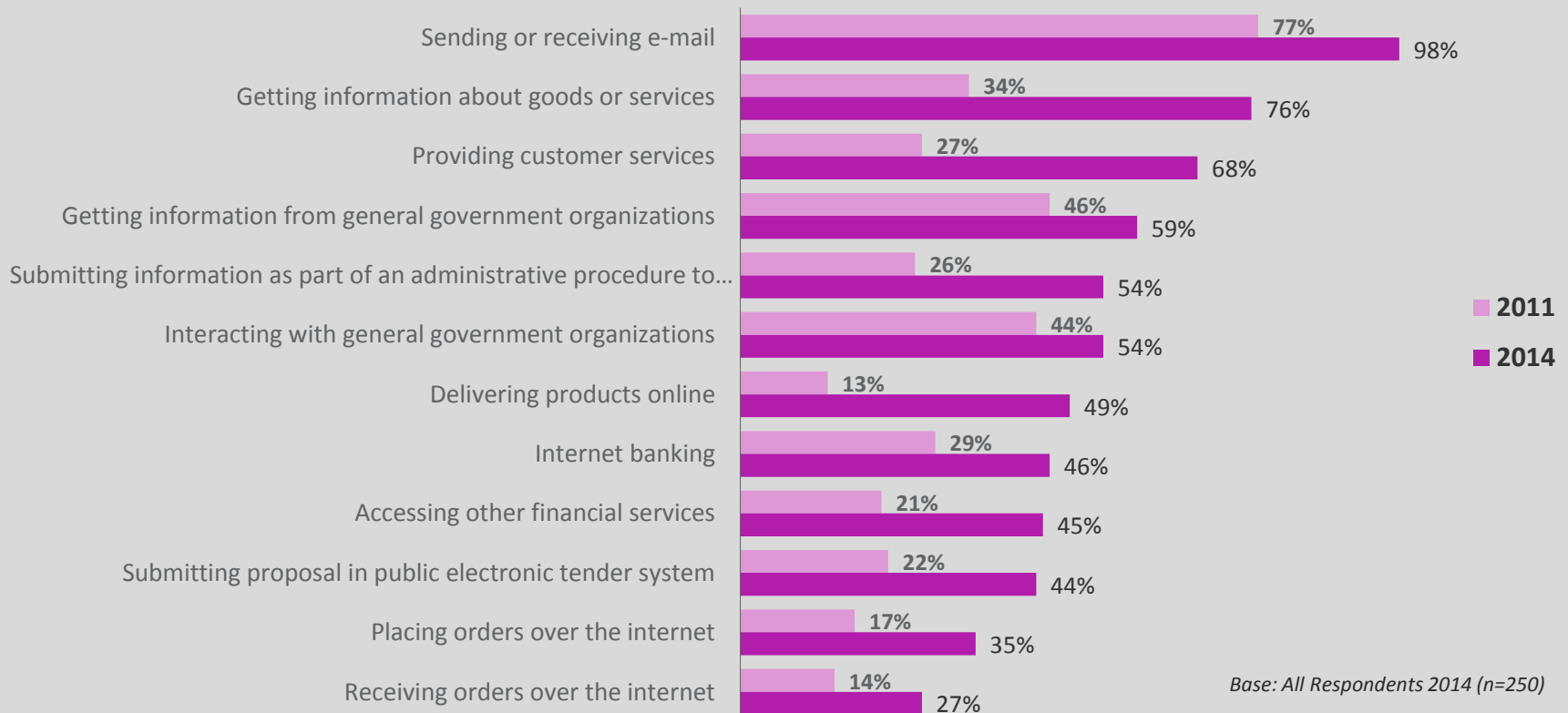
Q71 On average, how much does your organization spend each month on internet Services?



INTERNET ACTIVITIES

- Overall, the proportion of businesses engaging in internet related activities has grown compared to 2011. In particular, providing customer services and delivering products online have become more prominent in 2014 (68% and 49% respectively) compared to (34% and 13% respectively) in 2011.
- Sending or receiving email remains the main internet activities among businesses (98% in 2014 and 77% in 2011)

Main Internet Activities



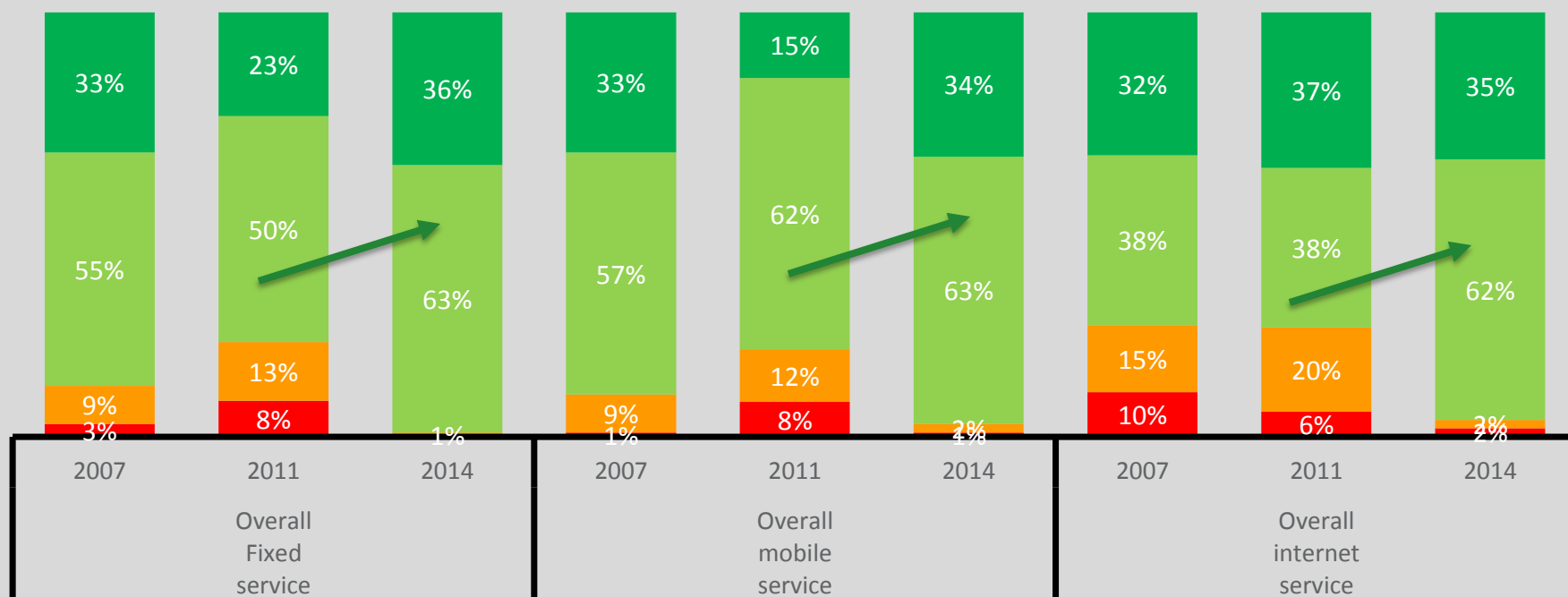
Q58 For which of the following activities did your organization use the Internet during the last 12 months?

KEY FINDINGS – SATISFACTION WITH TELECOMS SERVICES

- The majority of businesses are satisfied with their telecommunications services with 99% of businesses are satisfied with their fixed line services, 97% of businesses are satisfied with their mobile services and 97% of businesses are satisfied with their internet services.

Overall Satisfaction across ICT services

■ Not very satisfied
 ■ Neither satisfied nor dissatisfied
 ■ Fairly Satisfied
 ■ Very Satisfied



Base: All Respondents 2014 (n=250) 2011 (n=250)

Base: 2014 (n=172) 2011 (n=250)

Base: All Respondents 2014 (n=250) 2011 (n=250)

Q29 How satisfied are you with the following elements of your **fixed line service**?

Q46 How satisfied are you with the following elements of your **mobile service**?

Q75 How satisfied are you with the following elements of your **internet service**?



TELECOM SERVICES

Telecommunication Services for Business

Fixed Line

Mobile Phone Service

International Calls

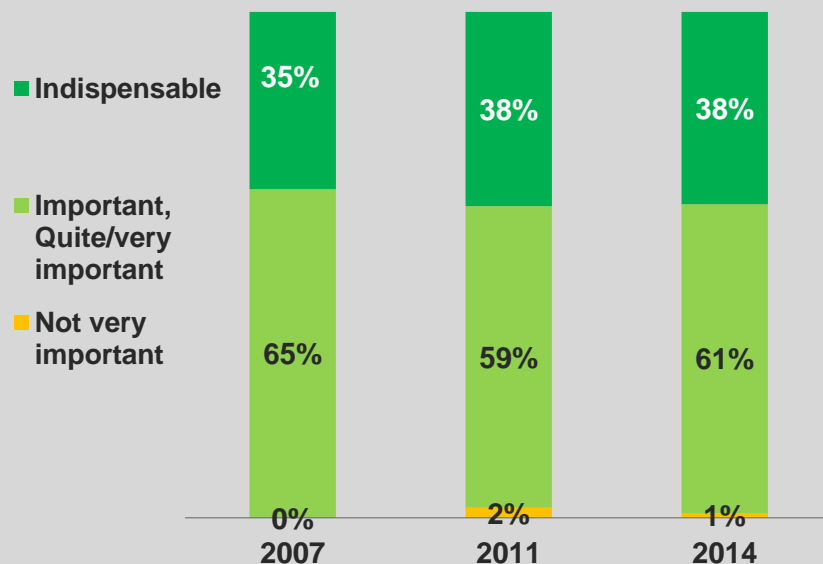
Internet Service

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IMPORTANCE OF TELECOMMUNICATIONS SERVICES

- Telecommunications services are critical to running many businesses. The majority of businesses, telecoms is an integral part of their operations.
- The importance of telecom services is same for small and medium-size businesses (35%), but it increases for larger businesses in 2014 (53%).

Importance of Telecommunications for Business



	Less than 20 employees	20-99 employees	100+ employees
2011			
Base	113	73	64
Indispensable	35%	37%	47%
2014			
Base	134	71	47
Indispensable	35%	35%	53%

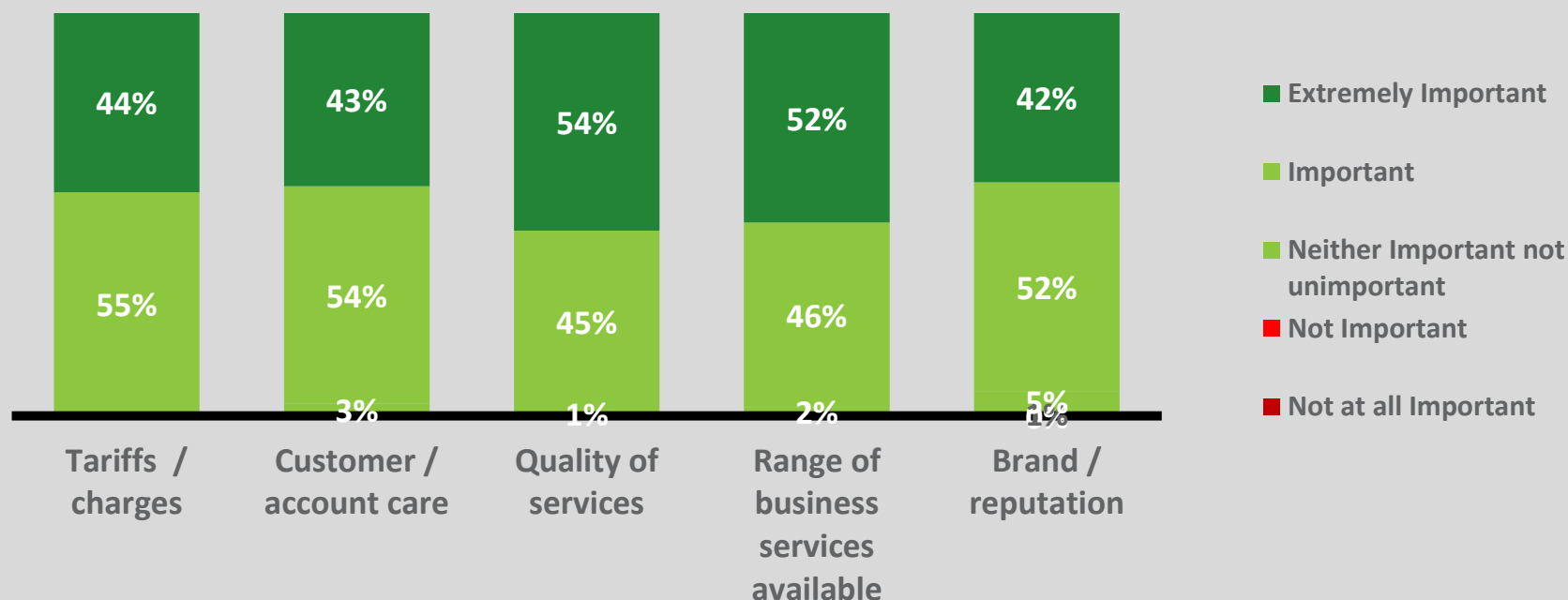
Base: All Respondents 2014 (n=252) , 2011 (n=250) , 2007 (n=159)

Q1. Please see this card and tell me on an overall level how important are telecommunications to the running of your business?

IMPORTANT FACTORS FOR SELECTING TELECOM SERVICES PROVIDER

- Quality of services and range of business services available are the most important considerations for businesses when selecting a telecom service provider.

Important Factors For Telecom Service Provider (2014)

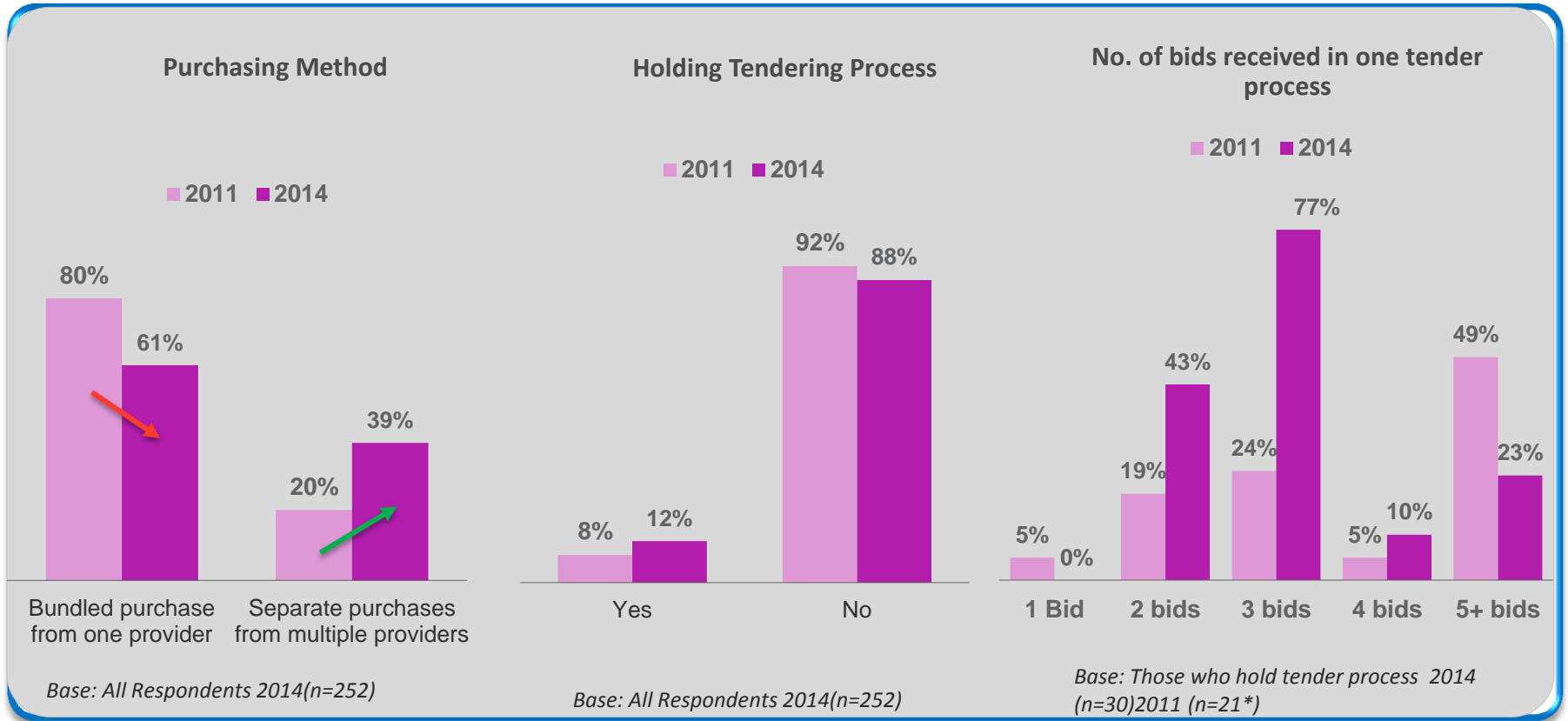


Base: All Respondents 2014 (n=252),

Q3 Companies look at different parameters while selecting a new service provider for Telecommunications. We have put some of these on this card. Please rate them as per their importance for your company

PURCHASING METHOD & TENDER PROCESS

- The majority of businesses still purchase their telecom services as a bundled purchase from one single provider. However, this percentage has decreased from 80% in 2011 to 61% in 2014.
- 12% of businesses hold a tendering process for telecom services in 2014 compared to 8% in 2011.



Q4 Considering the overall purchase decision-making of telecom services, do you purchase all together as a 'bundled' purchase where one telecom provider supplies all services as part of a single contract, or do you purchase separate services from multiple providers such as fixed services from one provider and mobile services from another and so on.

Q5. Do you hold competitive tendering process for telecom services you consider purchasing and invite service providers to submit relevant bids?

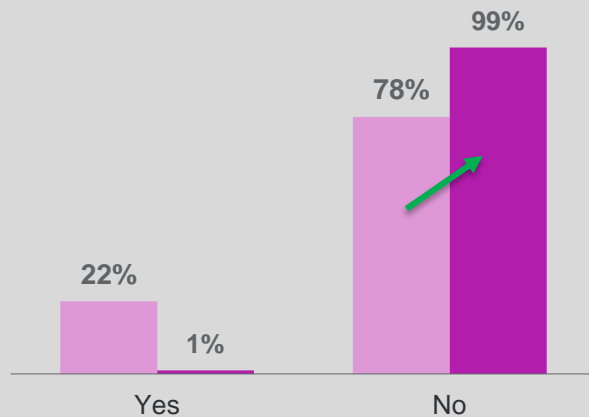
Q6. How many bids do you typically receive from different suppliers in one tender process?

RECRUITMENT OF EMPLOYEES WITH ICT SKILLS

- In 2014, it has become much easier recruiting ICT-skilled staff, with 99% of businesses reporting no difficulties in recruiting ICT-skilled staff compared with 78% in 2011.
- The 1% of businesses who have difficulties in recruiting ICT-skilled business are found in small-size businesses.

Having Difficulties in Recruiting ICT-Skilled Staff

■ 2011 ■ 2014



Base: All Respondents 2014 (n=252)

	Less than 20 Employees	20-99 Employees	100+ Employees
2011			
Base:	113	73	64
Those who have difficulty in recruiting employees with ICT Skills	19%	25%	25%
2014			
Base:	134	71	47
Those who have difficulty in recruiting employees with ICT Skills	1%	0%	0%

Q2. Do you have difficulties in recruiting employees with ICT skills?



TELECOM SERVICES

Telecommunication Business Services

Fixed Line

Mobile Phone Service

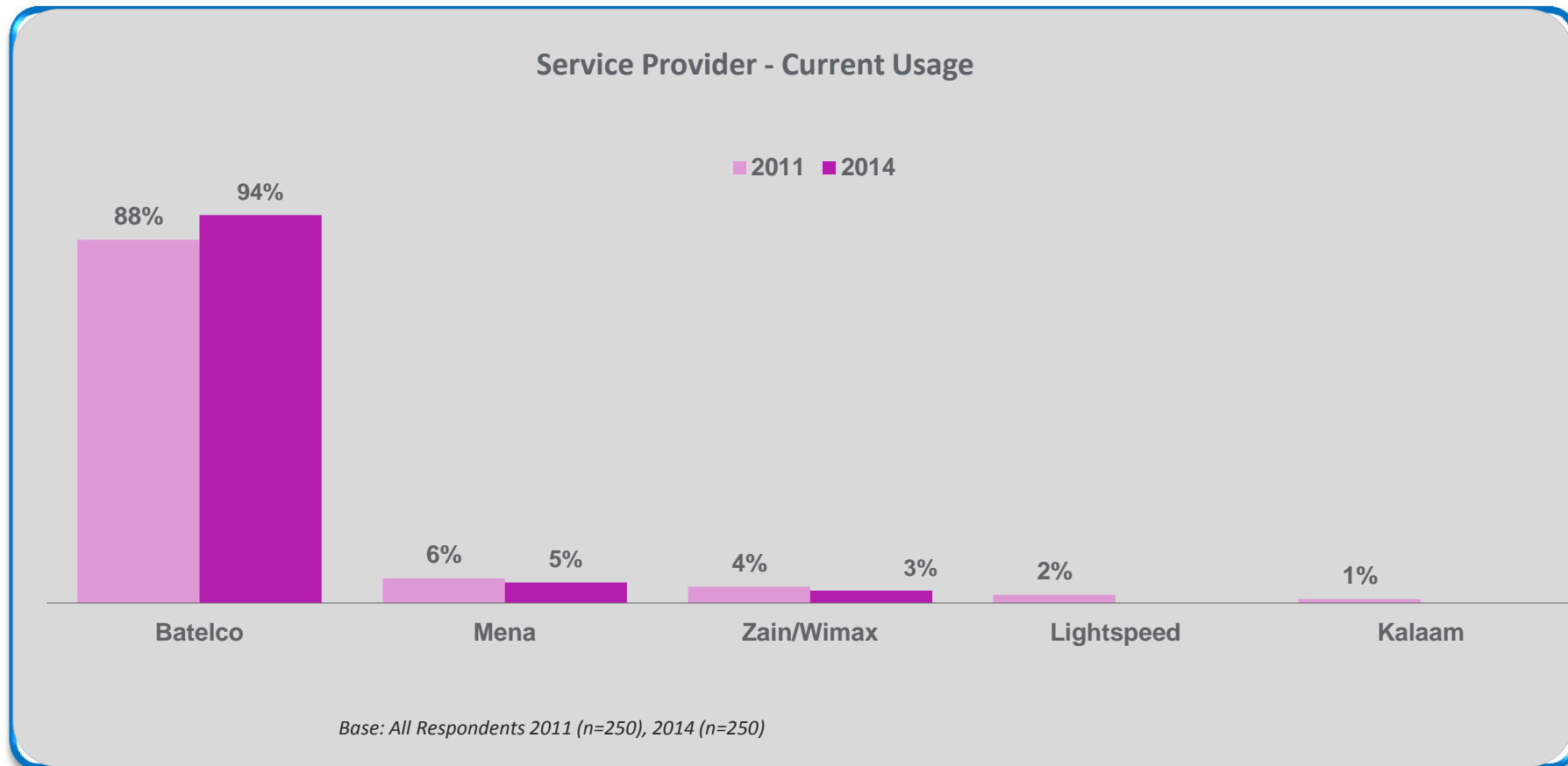
International Calls

Internet Service

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FIXED LINE SERVICE PROVIDERS

- Batelco is still extensively used by businesses in comparison with other fixed line services providers with 94% of businesses subscribing to their fixed line services from Batelco compared to 88% in 2011.

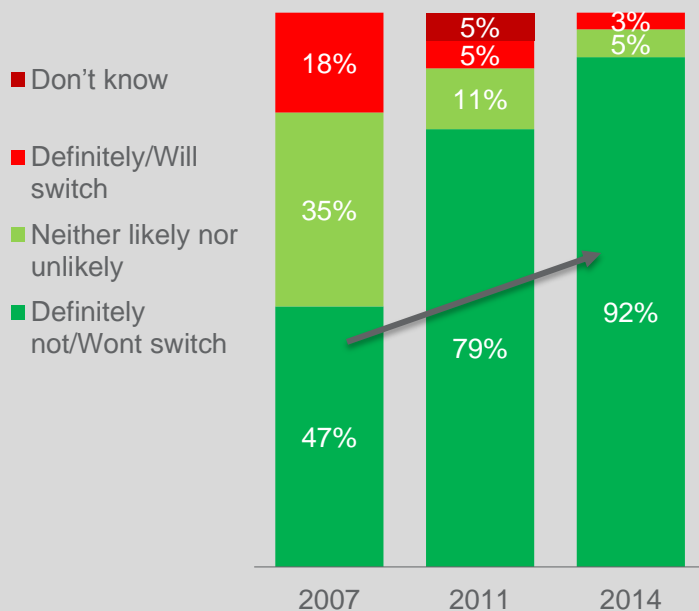


Q14 From which of these do you currently subscribe fixed lines from?]

SWITCHING INTEREST

- The proportion of businesses who are not likely to switch from their current fixed line provider has increased gradually from 47% in 2007 to 79% in 2011 and then to 92% in 2014.
- The main reason for not switching in 2014 is still because businesses are happy with their current service provider.

Likelihood To Switch



Base: All Respondents 2014 (N=240) , 2011 (n=250) , 2007 (n=159)

2007		2011		2014	
Top two reasons for switching to another provider					
Base: Who are likely to switch	28	Base: Who are likely to switch	11*	Base: Who are likely to switch	7 *
Cheaper Price	50%	Cheaper Charges	27%	Cheaper Charges	86%
Better Service	43%	More promotions	18%	More Promotions	14%
Top two reasons for not switching					
Base: Who are likely not to switch	75	Base: Who are likely not to switch	199	Base: Who are likely not to switch	222
Don't want to change the number	36%	Happy with current provider	63%	Happy with current provider	92%
Satisfied with Batelco	27%	Difficult to switch to other provider	30%	Difficult to switch to other provider	6%

Q20 Now tell me on a 5 point scale where 5 means 'definitely switch' and 1 means 'definitely not switch' , how likely is your company to switch to another telecom service provider **for Fixed Line?**

Q21 You mentioned that your organization is likely to switch fixed line service provider. Please give the most important reason for the switch

* Low Base

TYPE OF FIXED LINE CONNECTIONS

- Fixed Voice and Fax lines are the most commonly used type of connection by businesses.
- As expected the average number of lines increases with the size of businesses.

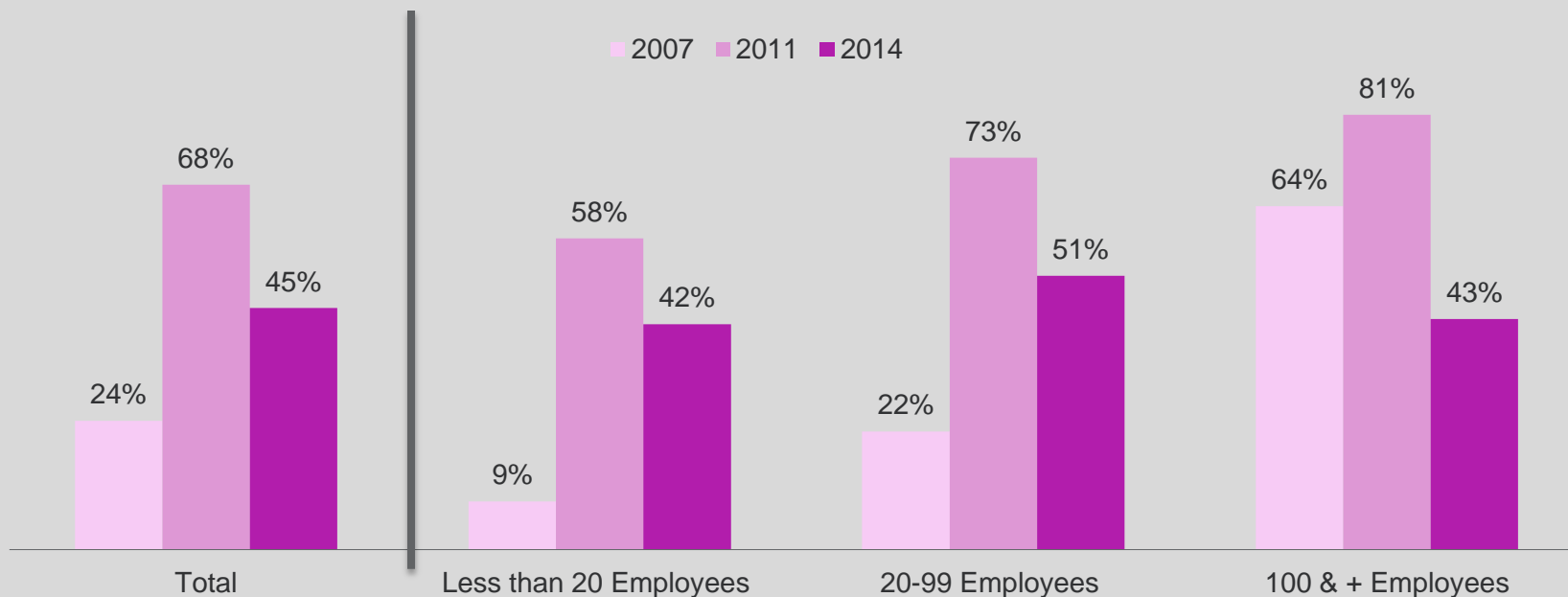
2014	Average No of Lines	Total	Less than 20 Employees	20-99 Employees	100 & + Employees
	Base:	250	132	71	47
	Fixed Voice lines	10	6	7	28
	Fax lines	3	1	2	7
2011	Average No of Lines	Total	Less than 20 Employees	20-99 Employees	100 & + Employees
	Base:	250	113	73	64
	Fixed Voice lines	10	2	3	27
	Fax lines	5	1	2	14
2007	Average No of Lines	Total	Less than 20 employees	20-99 employees	100+ employees
	Base	159	66	65	28*
	Fixed Voice lines	4	2	4	11
	Fax lines	2	1	2	4

Q13. Please Specify how many of the following do you have? Fixed voice

PRIVATE NETWORK (LAN) TO MAKE NATIONAL CALLS

- Usage of Private Network (LAN) for making National calls has decreased from 68% in 2011 to 45% in 2014, in particular among large businesses.

Usage of Private Network (LAN) to make national calls



Base: All Respondents 2014 (n=250), 2011 (n=250), 2007 (n=159)

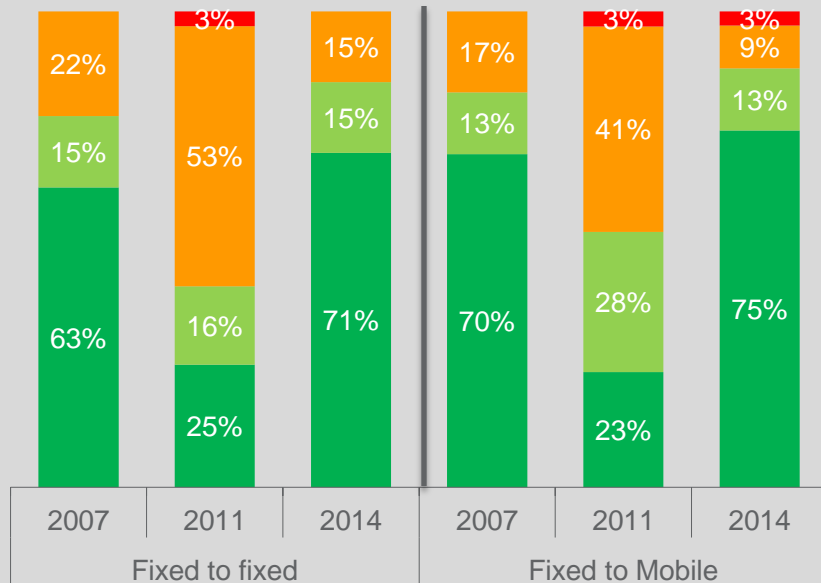
Q17 Does your organization use a LAN to make national calls between offices/sites within Bahrain?

NUMBER OF NATIONAL CALLS MADE

- The number of national calls has decreased since 2011, with the proportion of businesses making more than 100 fixed to fixed calls per day decreasing from 53% in 2011 to only 15% in 2014
- On average businesses made only 58 fixed to fixed national calls per day in 2014 (down from 133 calls in 2011) and 52 fixed to mobile national calls per day in 2014 (down from 124 calls in 2011).

Number of National Calls

■ upto 50 calls ■ 51-100 calls ■ 100+ calls ■ Don't know



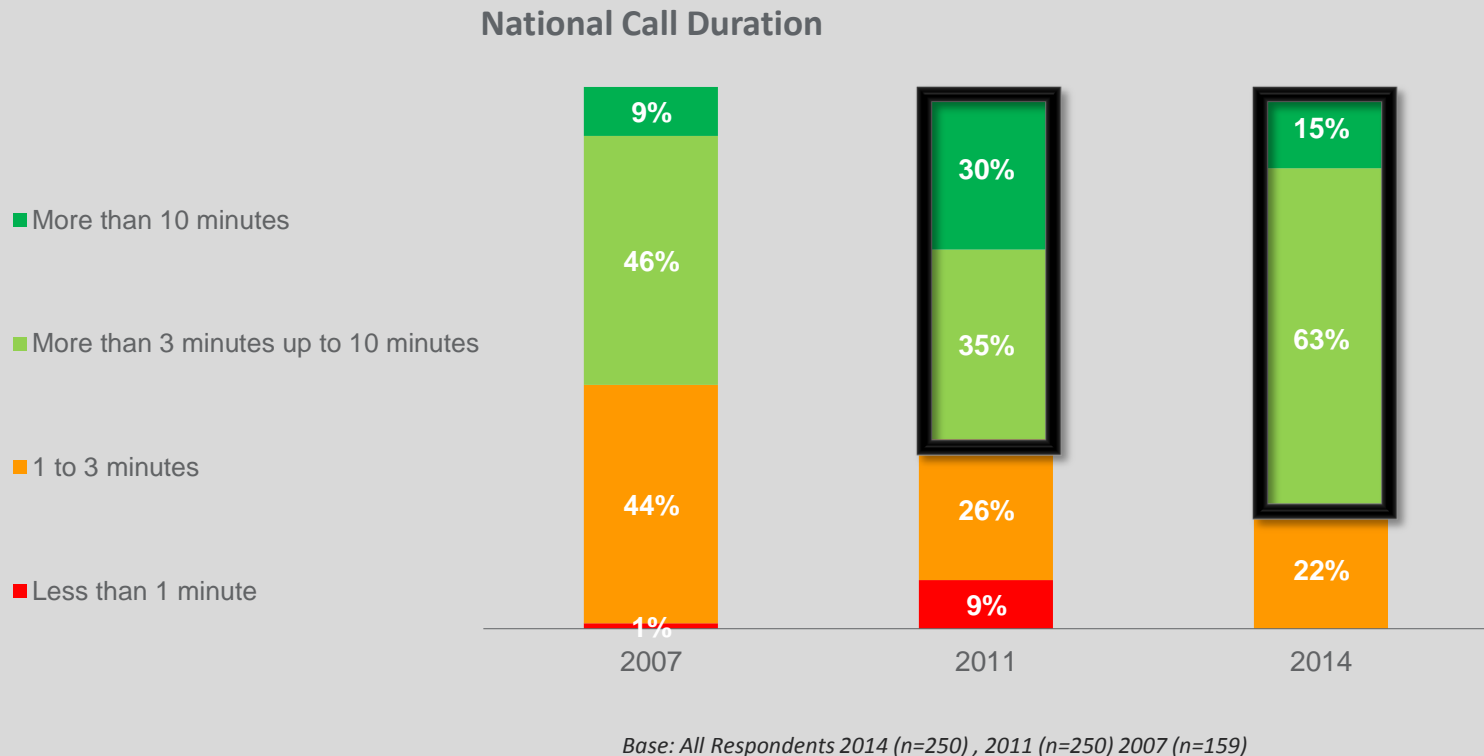
Average number of National calls	Total	Less than 20 Employees	20-99 Employees	100 & + Employees
Base-2014	250	132	71	47
Fixed to Fixed	58	37	61	110
Fixed to Mobile	52	35	50	100
Base-2011	250	113	73	64
Fixed to Fixed	133	93	136	192
Fixed to Mobile	124	90	124	177
Base-2007	159	66	65	28
Fixed to Fixed	74	30	90	135
Fixed to Mobile	66	35	65	140

Base: All Respondents 2014 (n=250), 2011 (n=250), 2007 (n=159)

Q15Please see this card tell me how many calls are made approximately on a daily basis?[[

DURATION OF NATIONAL CALLS MADE FROM FIXED LINES

- In 2014 78% of businesses make national calls from their fixed line with a duration of 3 minutes or more compared to 65% in 2011 and 55% in 2007.



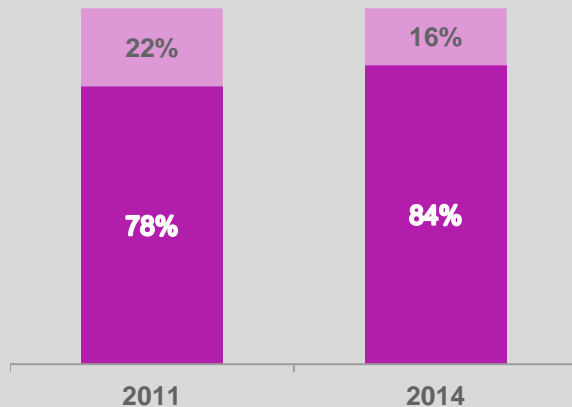
Q16 Could you please tell me the approximate average length in minutes of national (local) calls you would make from your organization's fixed line?

FIXED LINE EXPENDITURE

- For businesses, national calls still represent a significant proportion of fixed line expenditure. In 2014 84% of total fixed line expenditures was on national calls, compared to 78% in 2011.

Fixed line expenditure

■ International Calls Expense
■ National Calls Expense



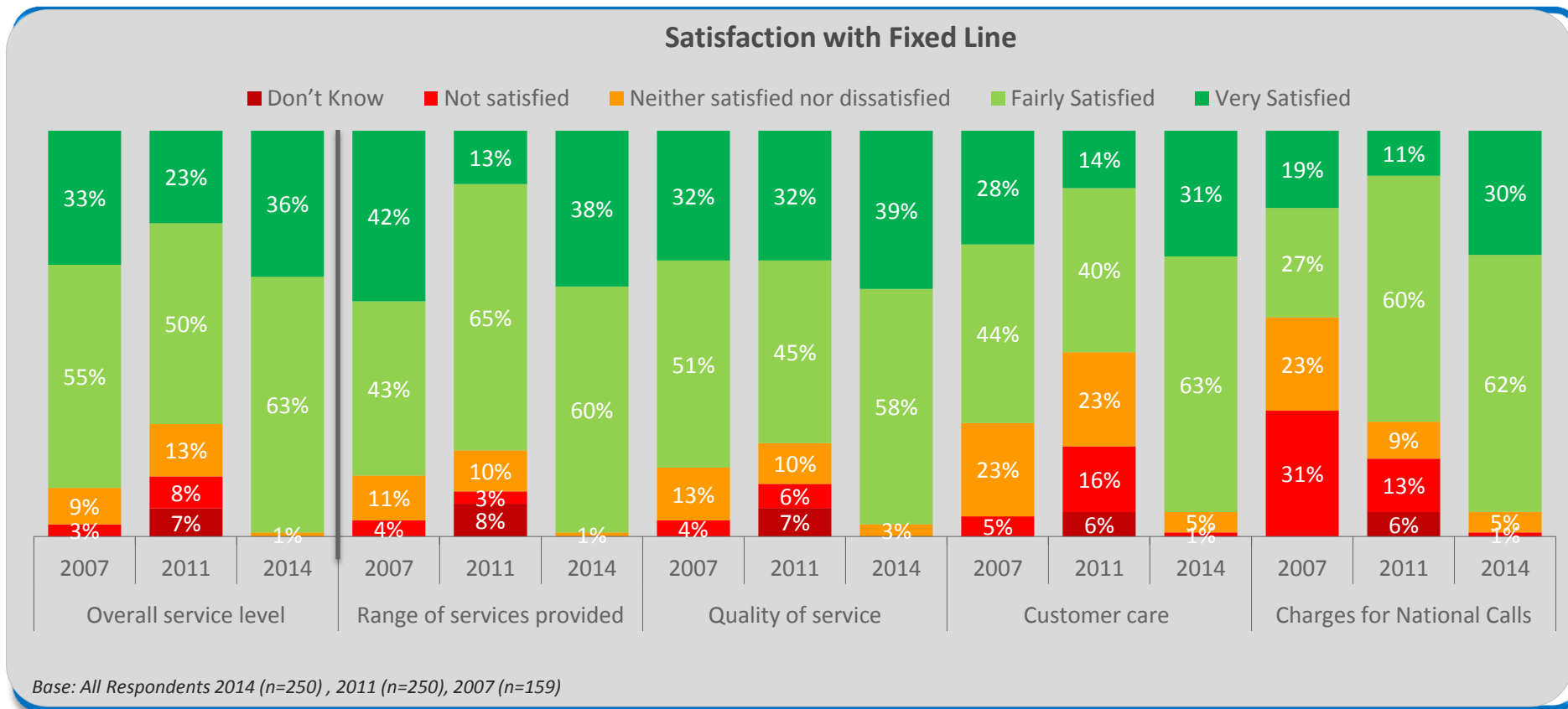
Base: All Respondents 2014 (n=250)

Average Monthly Expense on Fixed Line	Total	Less than 20 Employees	20-99 Employees	100+ Employees
<i>Base-2014</i>	<i>250</i>	<i>132</i>	<i>71</i>	<i>47</i>
(BD)-Mean	326	114	268	1,003
<i>Base-2011</i>	<i>250</i>	<i>113</i>	<i>73</i>	<i>64</i>
(BD)-Mean	413	220	382	744
<i>Base-2007</i>	<i>159</i>	<i>66</i>	<i>65</i>	<i>28</i>
(BD)-Mean	530	200	625	1,100

Q23. Now I would like to talk to you about the expenses on telecom services. Could you please tell me what is your average monthly spend on Fixed Line (including fax) on National Calls?
Q25. Please tell us approximately what % of your fixed line spend are National calls and International Calls?

SATISFACTION LEVELS - FIXED LINE SERVICE

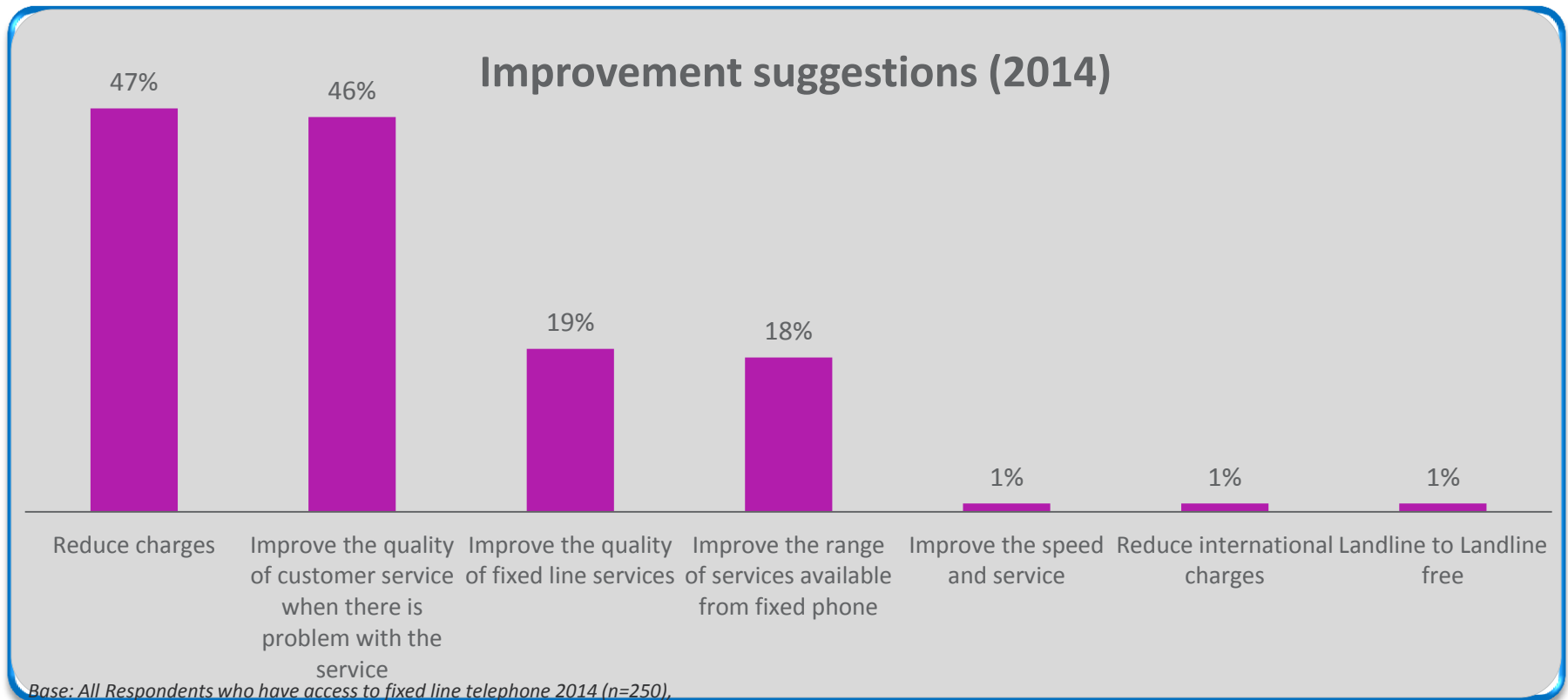
- Satisfaction levels among businesses towards fixed line services has significantly increased.
- In 2014 more than 90% of businesses are satisfied with their overall fixed line service, range of services provided, quality of service, customer care and charges for national calls



Q29. How satisfied are you with the following elements of your **fixed line service**?[

IMPROVEMENT SUGGESTIONS FOR FIXED LINE

- Although more than 90% of businesses are satisfied with their fixed line services, some businesses have improvements suggestions regarding their fixed line services.
- Reduction in charges and improving the quality of customer service are the most common improvements suggested by businesses (46% and 47% respectively).

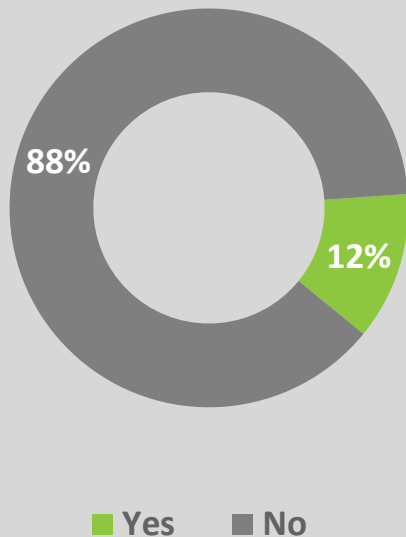


Q30. Could you please tell me if there are any suggestions you would like to make to help serve you better in the future for fixed line?

COMPLAINTS MADE TO FIXED LINE PROVIDER

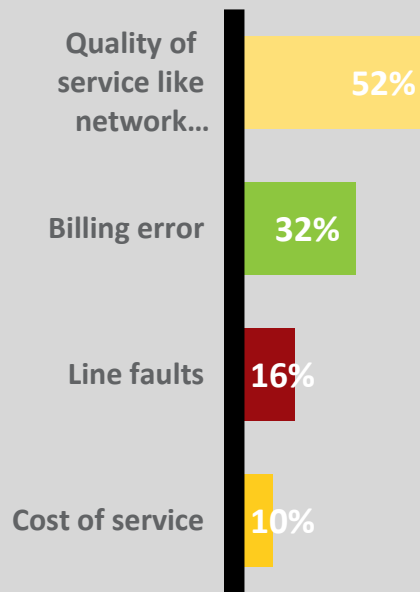
- 12% of businesses made a complaint to their fixed line service provider in the last 12 months.
- Of those who made a complaint, 52% of businesses complained about the quality of service.
- 55% of those who made a complaint were satisfied with the complaint resolution.

Complaint Made to Fixed Line Provider in Last 12 Months



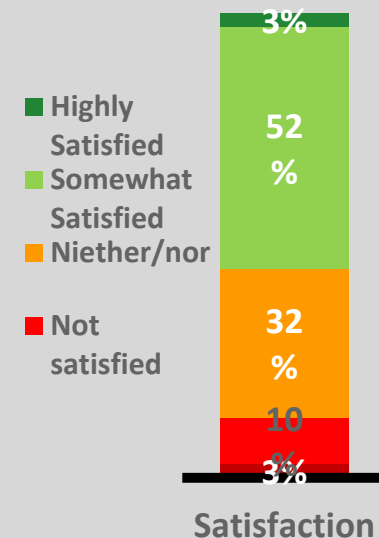
Base: All Respondents who have access to fixed line telephone (n=250)

Details On Complaints Made to Fixed Line Provider



Base: All Respondents who Complained (n=31)

Satisfaction With Resolving of Complaint



Base: All Respondents who Complained (n=31)

[Q26] Complaint made regarding Fixed Line services in last 12 Months

[Q27] Reason to complaint about Fixed Line services

[Q28] Satisfaction with the resolution of complaint for Fixed Line services

SUMMARY OF FIXED LINE SERVICE

- The proportion of businesses who are not likely to switch from their current fixed line provider has increased gradually from 47% in 2007 to 79% in 2011 and then to 92% in 2014 and the main reason given in 2014 for not switching remains because businesses are happy with their current service.
- Fixed Voice and Fax lines are the most commonly used type of fixed line connection by businesses.
- Usage of Private Network (LAN) for making National calls has decreased from 68% in 2011 to 45% in 2014, in particular among large businesses.
- The number of national calls has decreased since 2011, with the proportion of businesses making more than 100 fixed to fixed calls per day decreasing from 53% in 2011 to only 15% in 2014. However, In 2014 78% of businesses make national calls from their fixed line with a duration of 3 minutes or more compared to 65% in 2011 and 55% in 2007.
- Although more than 90% of businesses are satisfied with their fixed line services, some businesses have suggested improvements regarding their fixed line services, with the reduction in charges and improving the quality of customer service being the most common improvements suggested by businesses (46% and 47% respectively).



TELECOM SERVICES

Telecommunication Business Services

Fixed Line

Mobile Phone Service

International Calls

Internet Service

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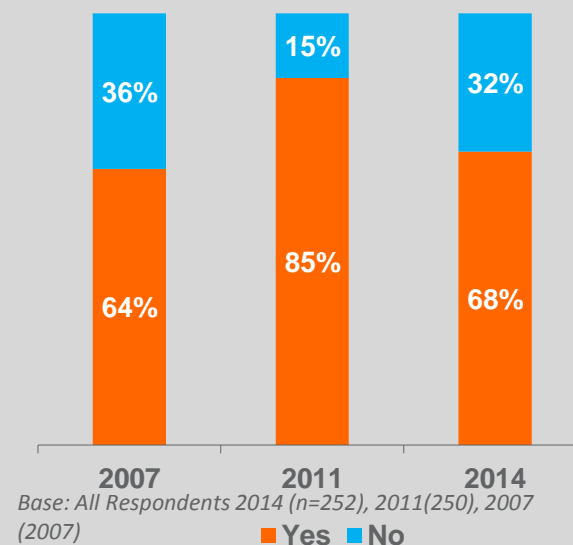
COMPANY PROVISION OF MOBILE PHONES

- The proportion of businesses who provide mobile phones to employees has decreased to 68% in 2014 compared to 85% in 2011.
- As expected the proportion of businesses who provide mobile phones to employees increases with the size of businesses.
- Mobile workforce is still the main reason for using mobile phones in 2014.

2014	Less than 20 Employees	20-99 Employees	100 & + Employees
<i>Base: All Respondents</i>	134	71	47
Provision of Mobiles to Employees (%)	64%	68%	81%

Reasons for providing Mobile Phones	2014	2011	2007
<i>Base:</i>	172	250	159
Mobile Workforce	81%	42%	75%
Can control spending	17%	37%	14%
Availability of additional services	47%	31%	25%
Quality services	40%	23%	31%

Provision of mobile phones to employees

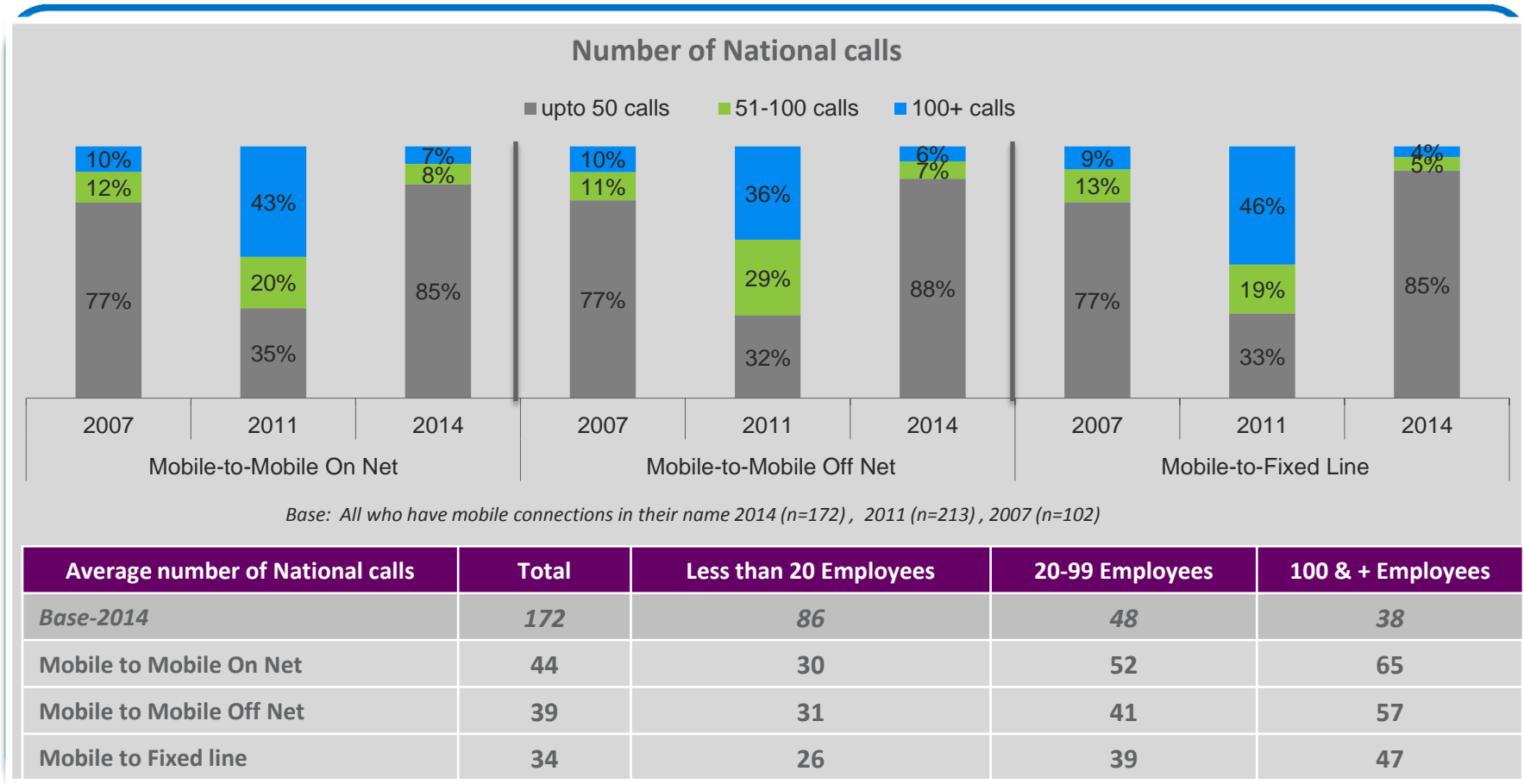


Q31a Does your organization provide mobile phones to staff?

Q32 Main reasons for organization to use mobile phones

NATIONAL CALLS MADE FROM MOBILE

- There has been a significant decrease in the volume of national calls made per day since 2011.
- The majority of businesses (85%) now make up to 50 national calls per day from their mobile phones.

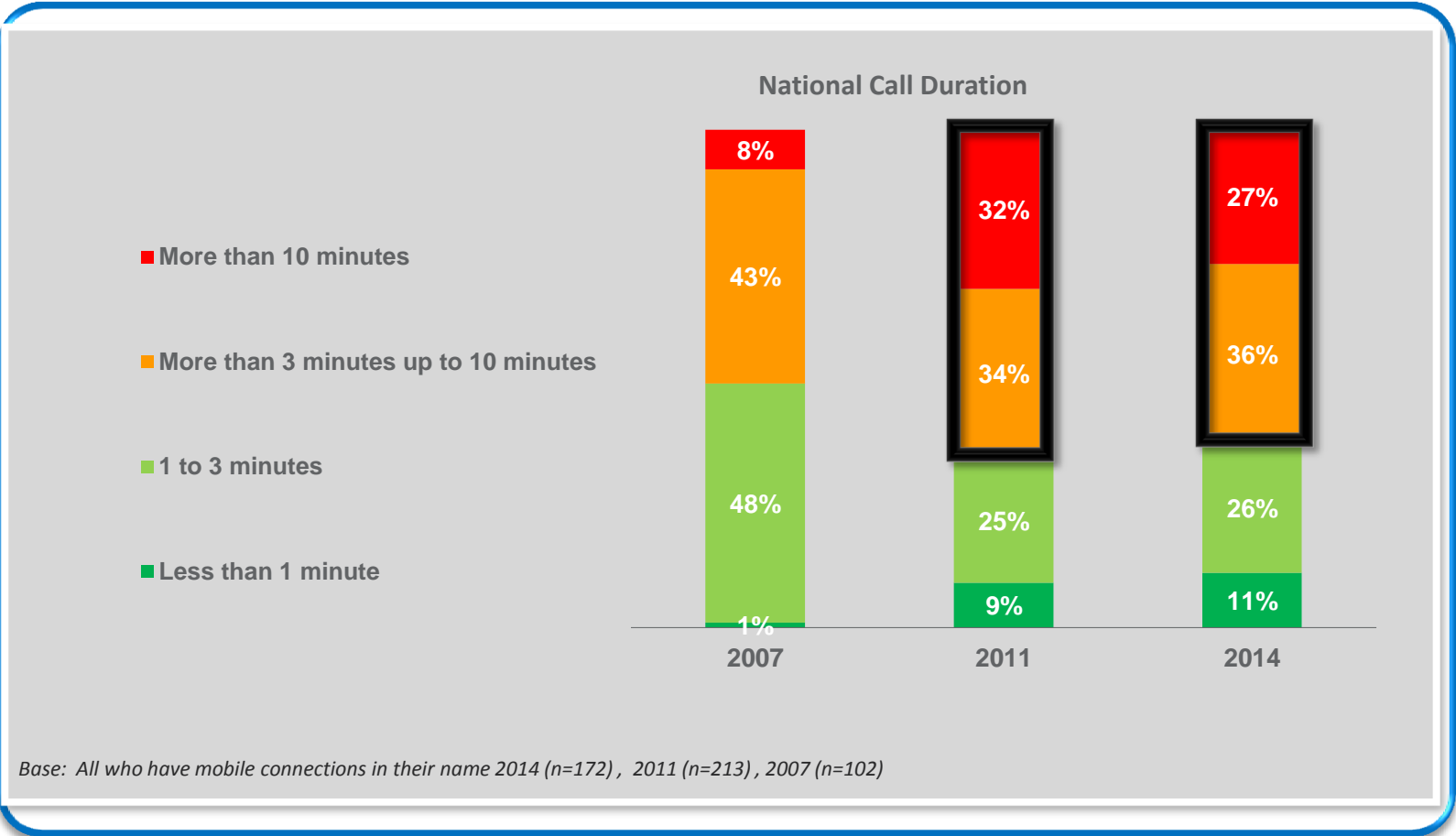


Q34. Now I would like to know the number of calls made through mobile.

As I read out each type please see this card tell me how many calls are made approximately on a daily basis?

DURATION OF NATIONAL CALLS FROM MOBILE

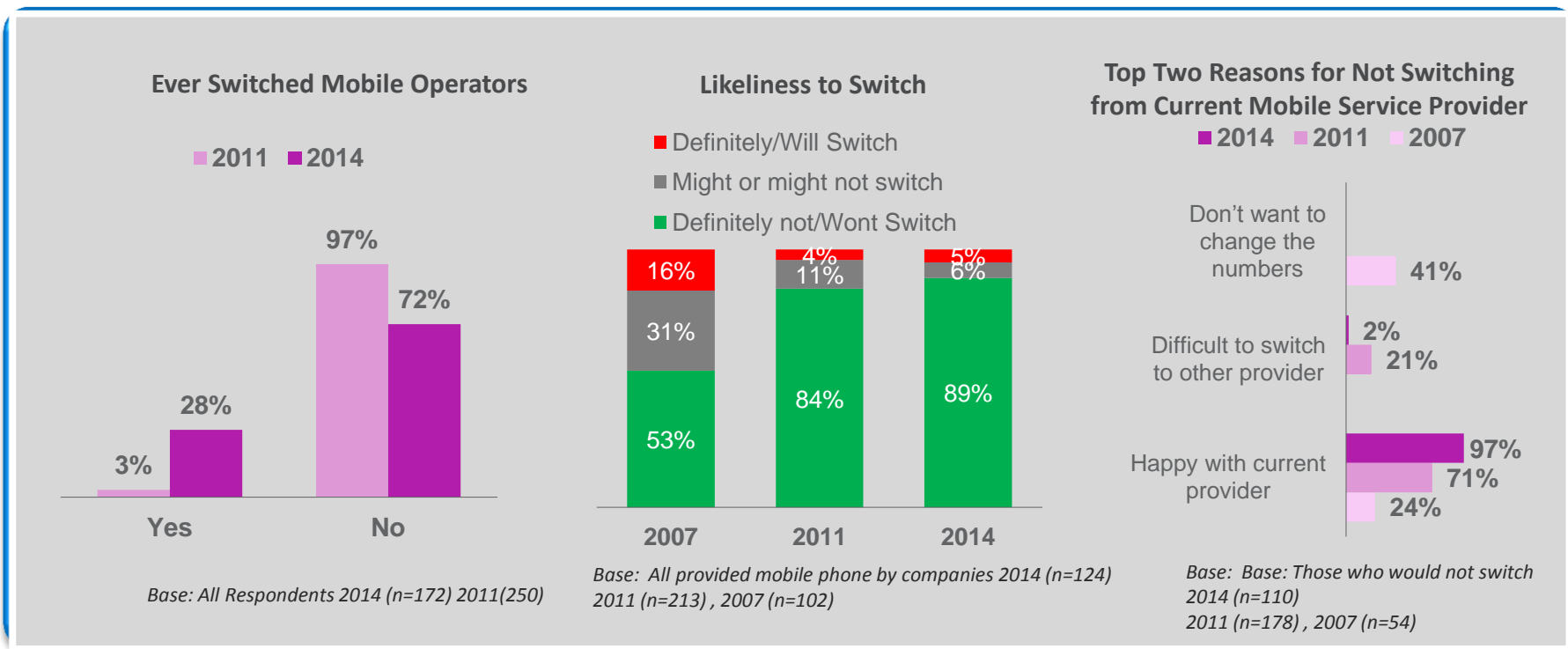
- The duration of national calls made from mobile phones has remained almost similar since 2011, with 63% of national calls from mobile phone has a duration of more than 3 minutes in 2014 compared to 66% in 2011.



Q36. Could you please tell me the approximate average length in minute of national (local) calls that are made from your organization’s mobile phone?

SWITCHING INCLINATION – MOBILE SERVICES

- 28% of businesses have switched between mobile phone operators in 2014 compared to only 3% in 2011.
- 89% of businesses are unlikely to switch from their current mobile service provider in 2014 compared to 84% in 2011.
- Being happy with current provider is still the main reason for not switching (same as 2011).



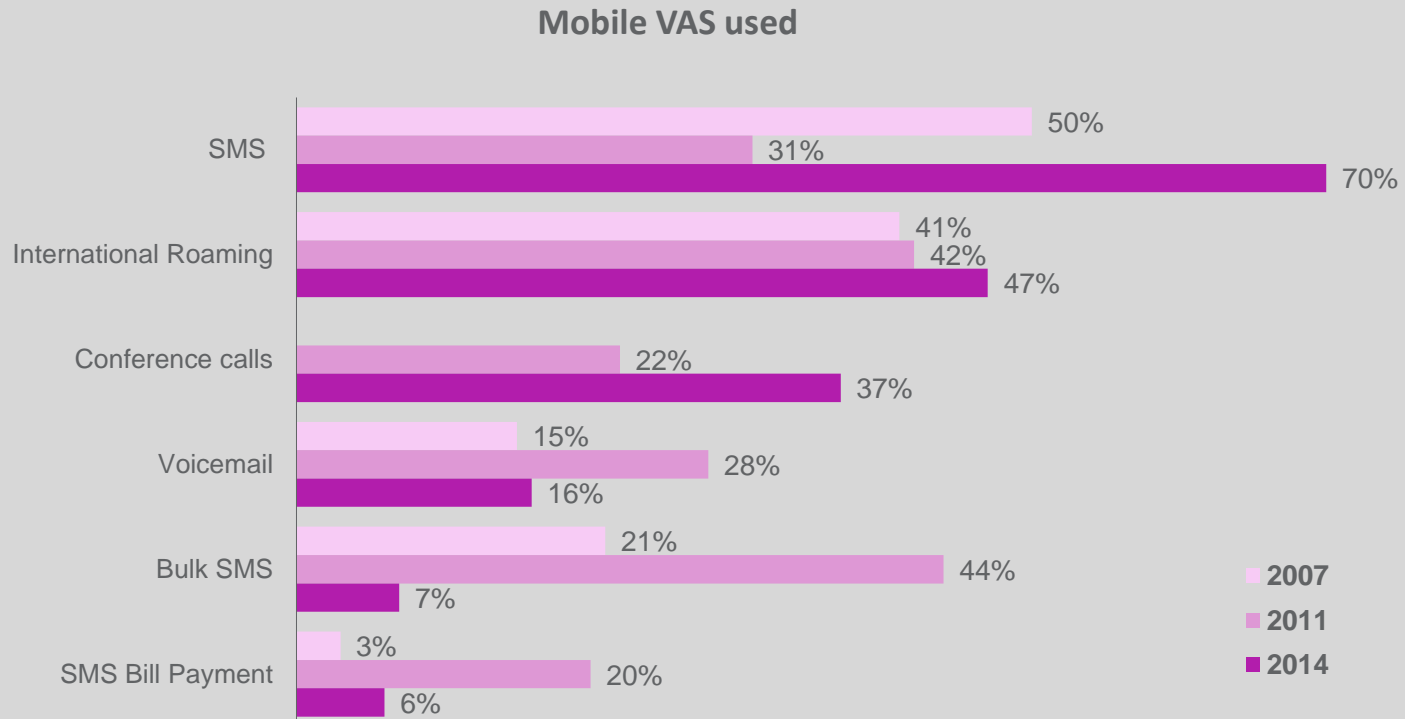
Q37. Now I wanted to know specifically for mobiles, has your organization ever switched between mobile phone operators?

Q38. Now tell me on a 5 point scale where 5 means 'definitely switch' and 1 means 'definitely not switch' , How likely is your organization to switch to another **mobile phone service** provider?]

Q40. You mentioned that your organization is NOT likely to switch mobile phone service provider. Please tell me what is the most important reason for switching to another mobile phone provider

MOBILE VALUE ADDED SERVICES

- SMS (70%), International roaming (47%) and conference calls (37%) are the main value added services used by businesses in 2014.
- Bulk SMS has decreased significantly from 44% in 2011 to only 7% in 2011.



Base: All provided mobile phone by companies 2014 (n=172) 2011 (n=213) , 2007 (n=102)

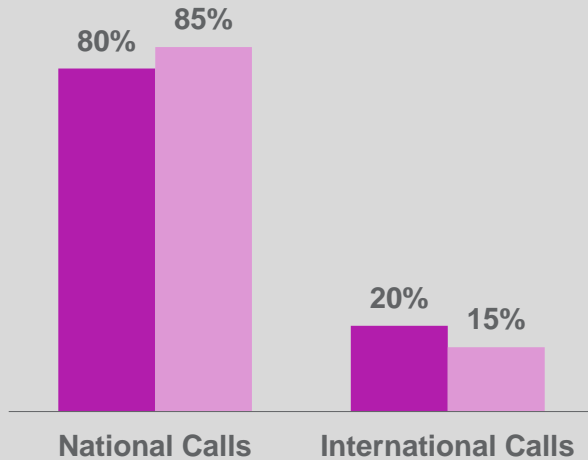
Q35 For mobiles owned in your organization's name, please tell me which value added services does your company use on a regular basis?

MOBILE EXPENDITURE

- National calls still represent the majority of mobile phone expenditure in 2014 (85% of total mobile expenditure on voice calls by businesses was on notational calls in 2014, up from 80% in 2011).
- Average monthly spend on mobile services is marginally lower than 2011 despite rise in expenditure among large businesses

Mobile Phone Expense (proportion for Inter/National Calls)

■ 2011 ■ 2014



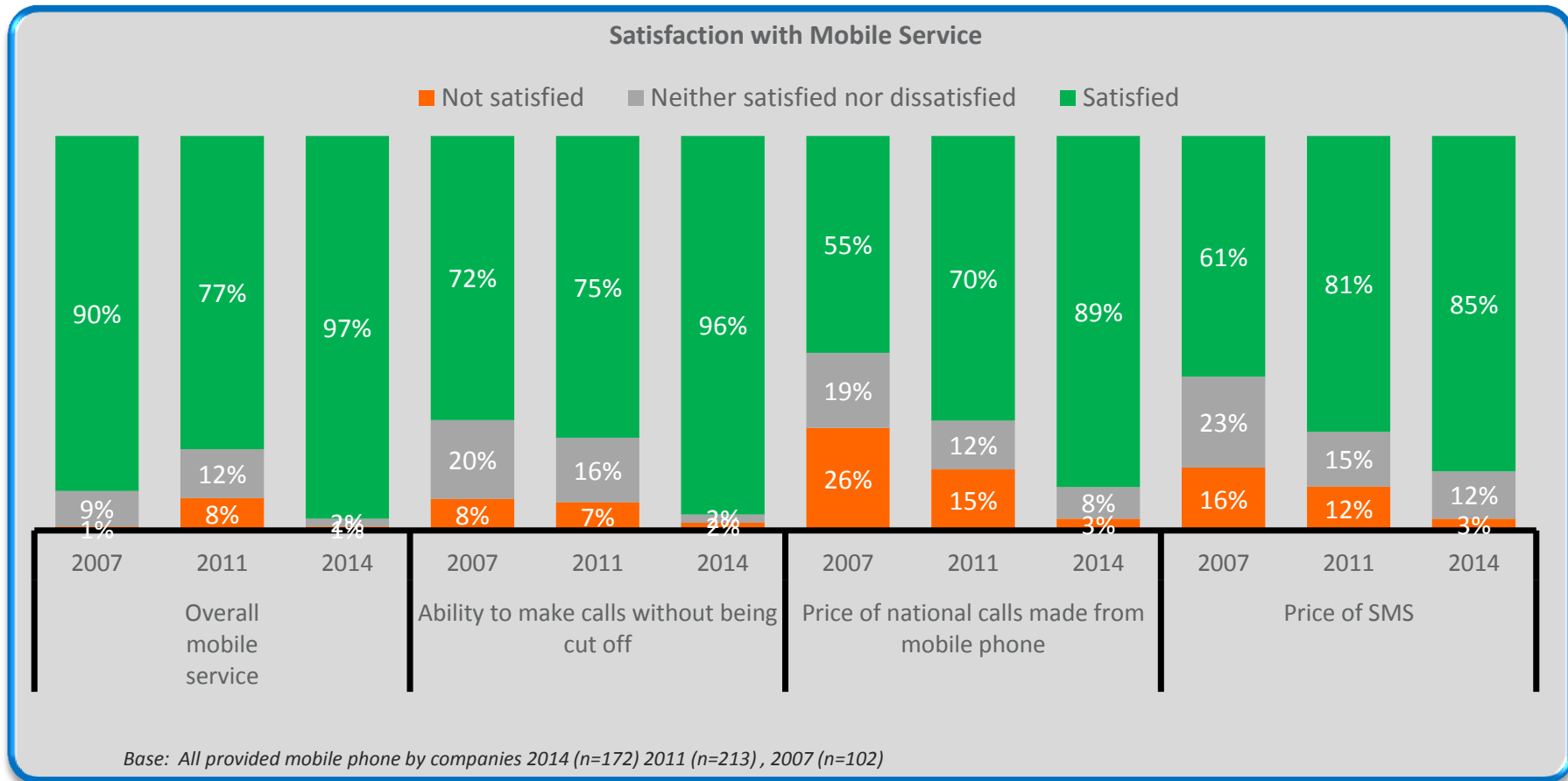
Base: All provided mobile phone by companies 2014 (n=172) 2011 (n=250)

Average Monthly Mobile Spending	Total	Less than 20 Employees	20-99 Employees	100+ Employees
Base-2014	172	86	48	38
Average spend (BD)	288	84	231	821
Base-2011	250	113	73	64
Average spend (BD)	298	142	242	586
Base-2007	159	66	65	28
Average spend (BD)	425	200	300	970

Q.42 Thinking about your mobile phone provided by your organization please tell me approximately what % of spend are National calls and International Calls?

SATISFACTION WITH MOBILE PHONE SERVICE

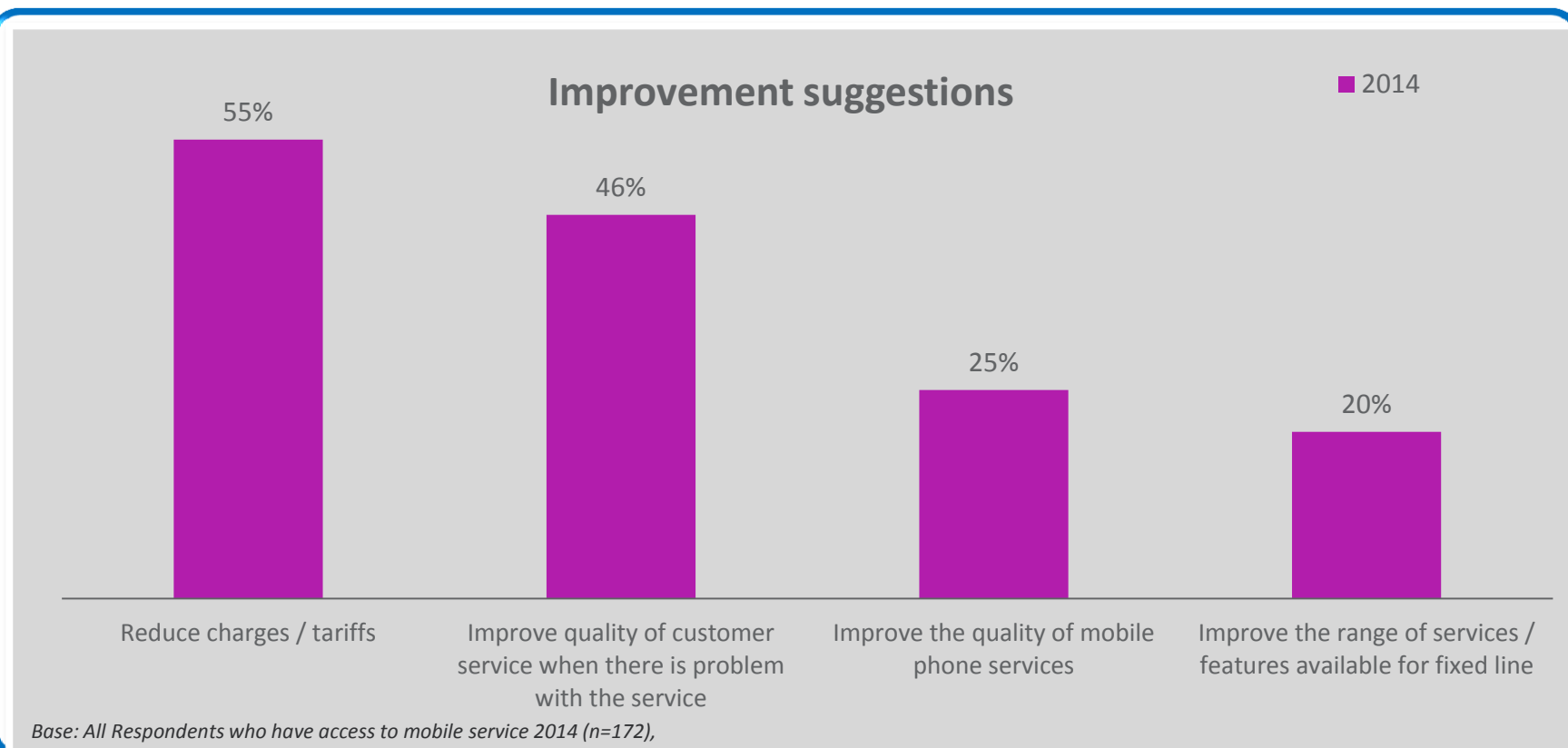
- Satisfaction levels among businesses towards mobile phone services has significantly increased.
- The proportion of businesses who are very satisfied with the ability to make calls without being cut off has significantly increased from 75% in 2011 to 96% in 2014.



Q46. How satisfied are you with the following elements of your **mobile service**?[

IMPROVEMENT SUGGESTIONS FOR MOBILE SERVICE

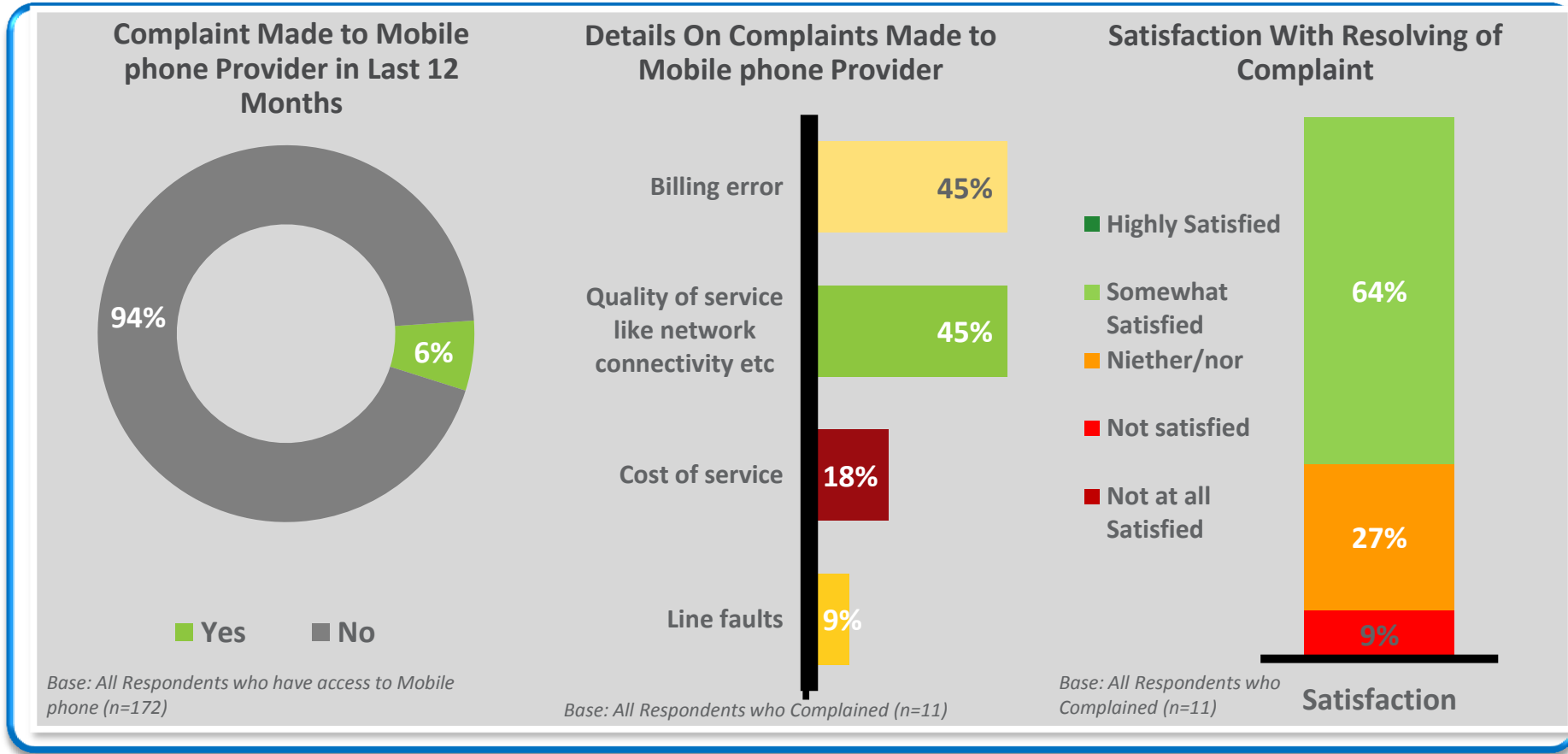
- Although more 90% of businesses are satisfied with their mobile phone services, some businesses had suggested improvements regarding their mobile phone services.
- Reduction in charges and improving the quality of customer service are the most common improvements suggested by businesses (55% and 46% respectively).



[Q47] Could you please tell me if there are any suggestions you would like to make to help serve you better in the future for mobile phone line?

COMPLAINTS MADE TO MOBILE PHONE PROVIDER

- Only 6% of businesses made a complaint to their mobile phone service provider in the last 12 months mainly for billing error or quality of service.
- 64% of those who made a complaint were satisfied with the resolution of their complaint .



[Q43] Complaint made regarding Mobile phone services in last 12 Months

[Q44] Reason to complaint about Mobile phone services

[Q45] Satisfaction with the resolution of complaint related to Mobile Phone Services

SUMMARY OF MOBILE PHONE SERVICE

- The proportion of businesses who provide mobile phones to employees has decreased from 85% in 2011 to 68% in 2014, with mobile workforce as the main reason for using mobile phones in 2014 (81%).
- There has been a significant decrease in the volume of national calls made per day since 2011 as the majority of businesses in 2014 (85%) make up to 50 national calls per day from their mobile phones while the duration of calls remains similar to 2011.
- 28% of businesses have switched between mobile phone operators in 2014 compared to only 3% in 2011. Moreover, the majority of businesses are unlikely to switch, primarily because of satisfaction with their current mobile service provider.
- SMS (70%), International roaming (47%) and conference calls (37%) are the main value added services used by businesses in 2014.
- National calls still account for the majority of mobile phone expenditure in 2014, with 85% of total mobile spend by businesses on national calls in 2014, compared to 80% in 2011.
- The majority of businesses are satisfied with their overall level of mobile service. Reducing charges/tariffs and improving quality of customer service are the top suggestions for improvement.
- Only 6% of businesses made a complaint to their mobile phone service provider in the last 12 months mainly for billing error or quality of service.



TELECOM SERVICES

Telecommunication Business Services

Fixed Line

Mobile Phone Service

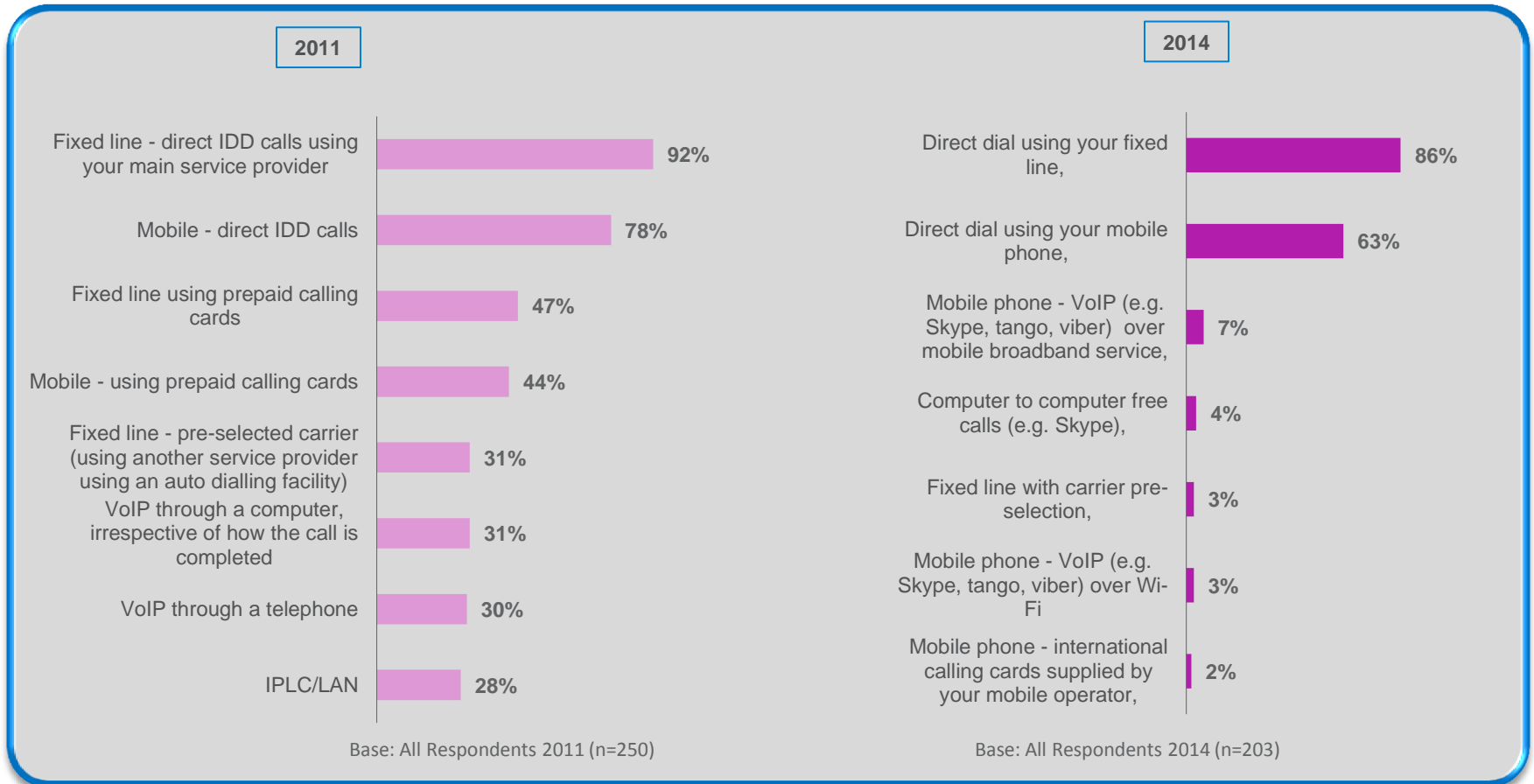
International Calls

Internet Service

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OPTIONS USED TO MAKE INTERNATIONAL CALLS

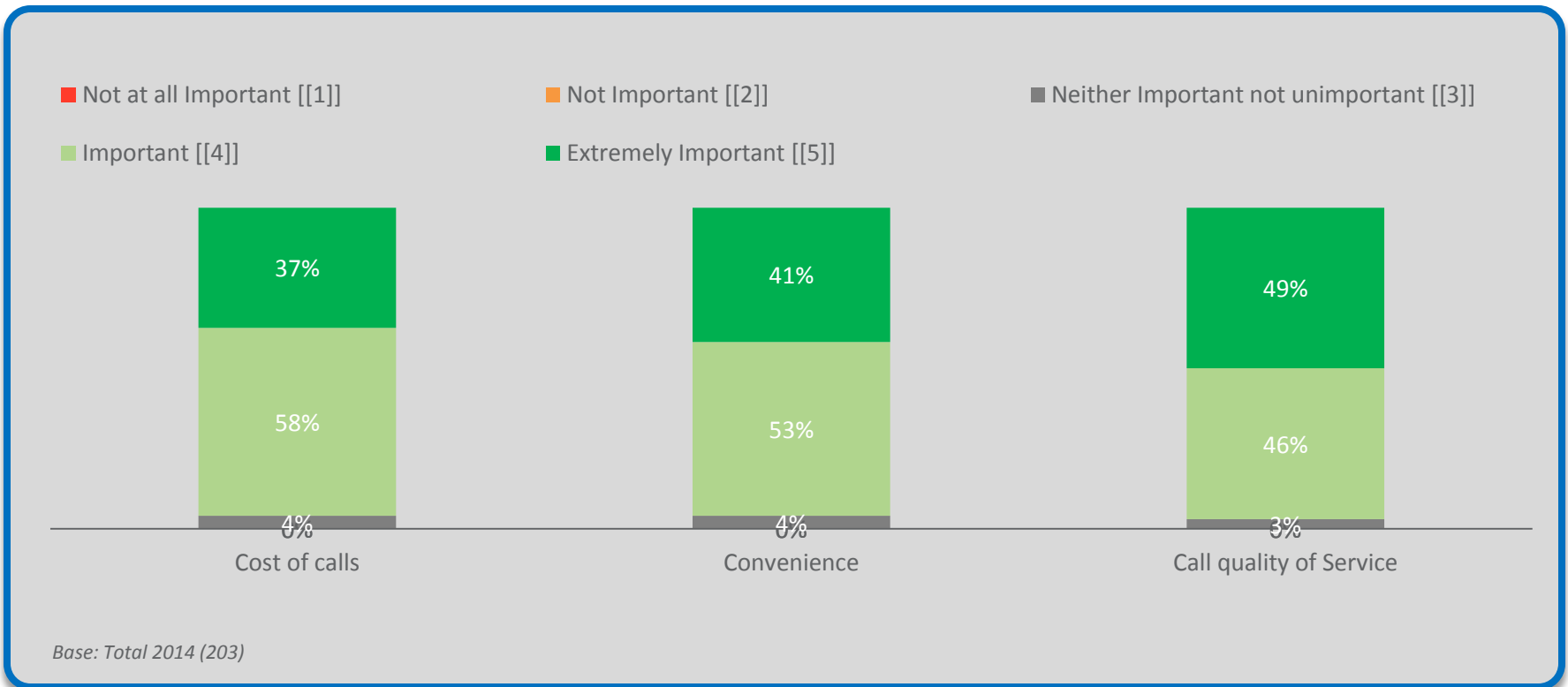
- Fixed line-Direct IDD (86% of businesses) and Mobile – Direct IDD (63% of businesses) were used extensively to make international calls in 2014.
- Using prepaid calling cards to make international calls has dropped significantly from 44% in 2011 to 2% in 2014



[Q48 (A to C)] Now please tell me how many international calls does your organization make approximately every week from

IMPORTANT FACTORS FOR MAKING INTERNATIONAL CALLS

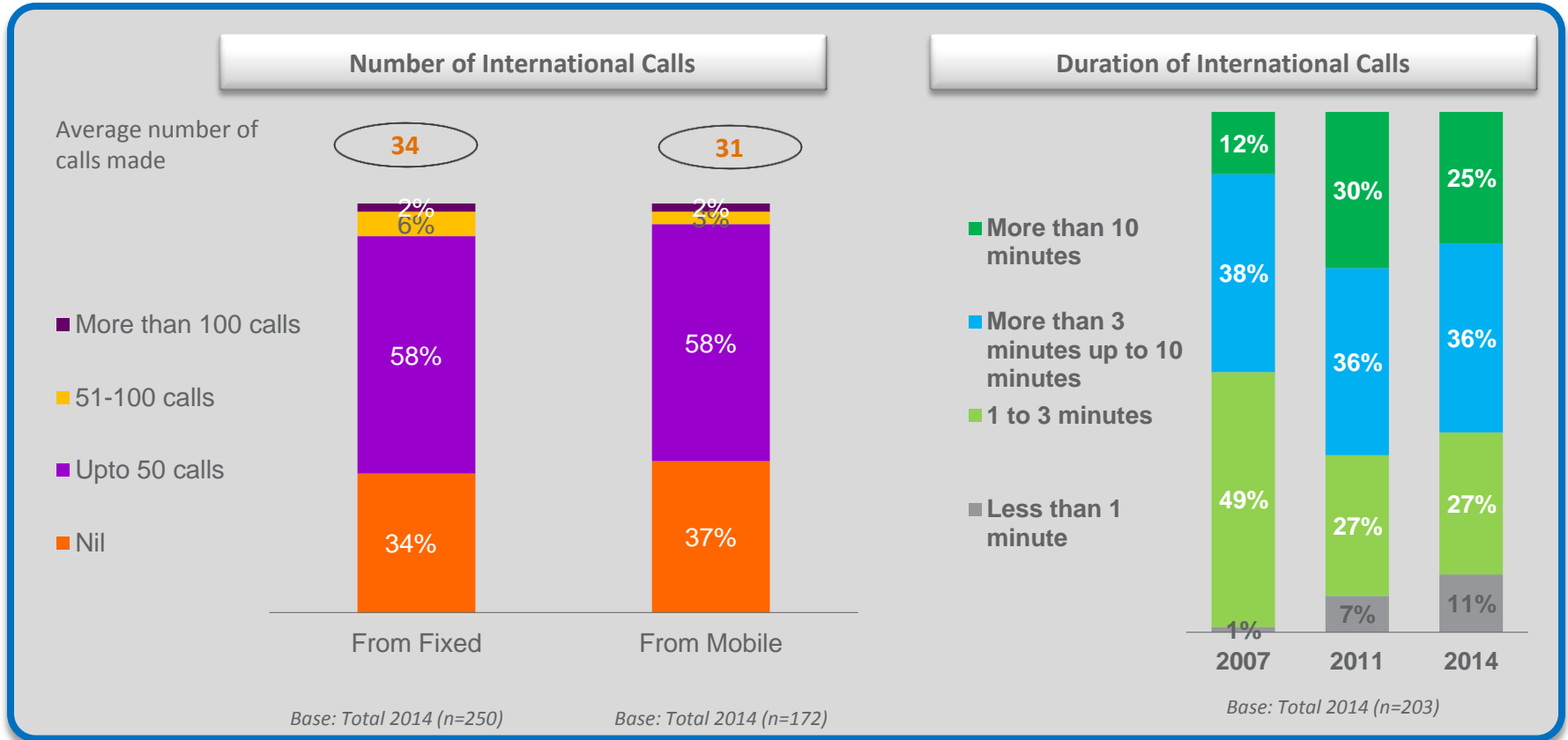
- 49% of businesses ranked call quality of service as an extremely important factor when choosing the method for making international calls.



Q49. What factors are most important to your organization when deciding how you will make your international calls?

NUMBER AND DURATION OF INTERNATIONAL CALLS MADE

- 58% of businesses make up to 50 international calls per day with an average of 34 international calls from a fixed line service and an average of 31 international calls from a mobile phone.
- The duration of international calls made has remained consistent compared to 2011.



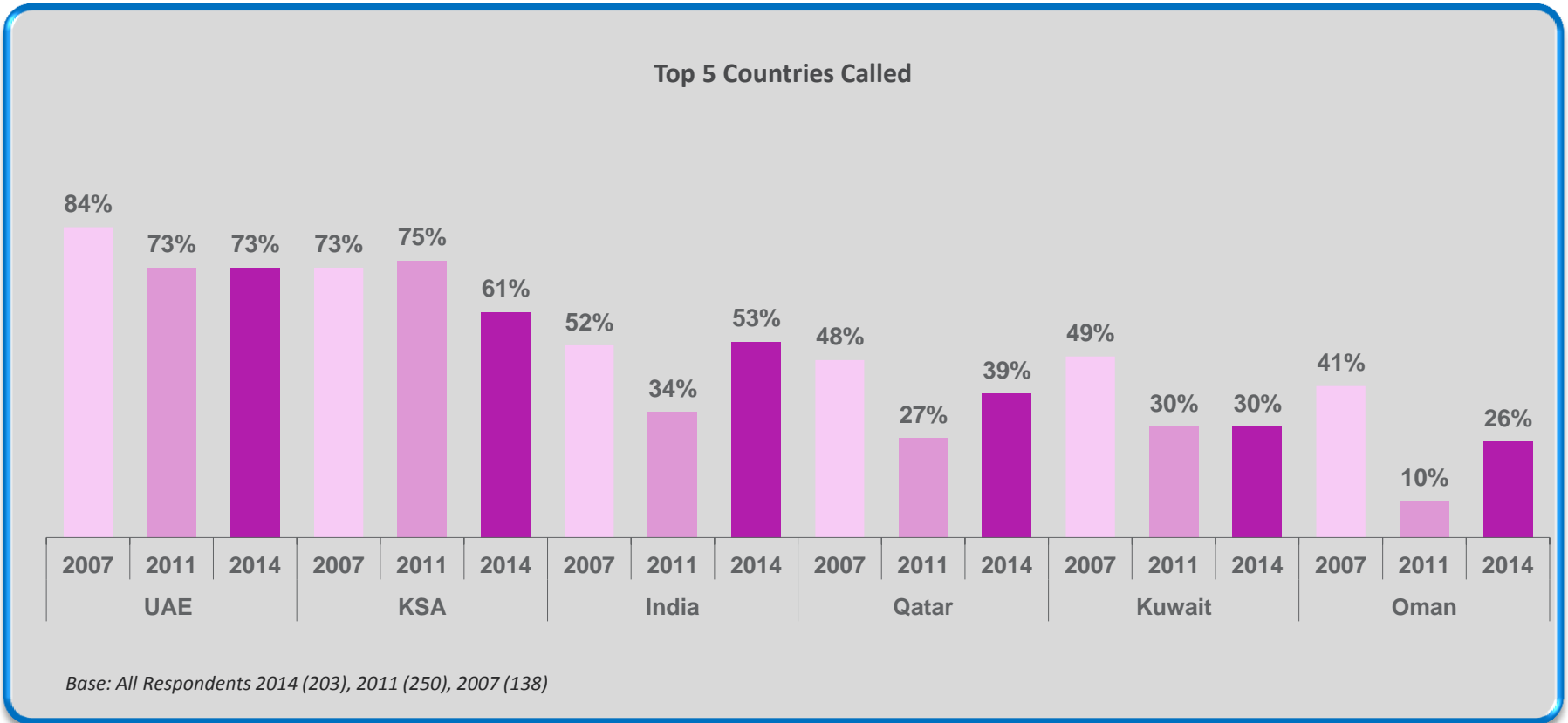
[Q15] Please see this card tell me how many calls are made approximately on a daily basis?

[Q34] Now I would like to know the number of calls made through mobile. As I read out each type please see this card tell me how many calls are made approximately on a daily basis?

Q51 What is the approximate average length in minutes you would make of international calls from your organization's fixed line telephone?

DESTINATIONS OF INTERNATIONAL CALLS

- UAE (73%) followed by KSA (61%) are the most common called countries since 2007.
- However, the proportion of businesses calling KSA has decreased from 75% in 2011 to 61% in 2014.



[Q50a] Which countries does your organization regularly call from fixed line?
 [Q50b] Which countries does your organization regularly call from mobile?
 [Q50c] Which countries does your organization regularly call from Smart phone applications (i.e. viber; Tango; Line)?

SUMMARY OF INTERNATIONAL CALLS

- Fixed line-Direct IDD (86% of businesses) and Mobile – Direct IDD (63% of businesses) are still extensively used to make international calls in 2014.
- 49% of businesses ranked call quality of service as extremely important factor when choosing the method for making international calls.
- 58% of businesses make up to 50 international calls per day with an average of 34 international calls from a fixed line service and an average of 31 international calls from a mobile phone.
- UAE (73%) followed by KSA (61%) are the most common called countries since 2007.



TELECOM SERVICES

Telecommunication Business Services

Fixed Line

Mobile Phone Service

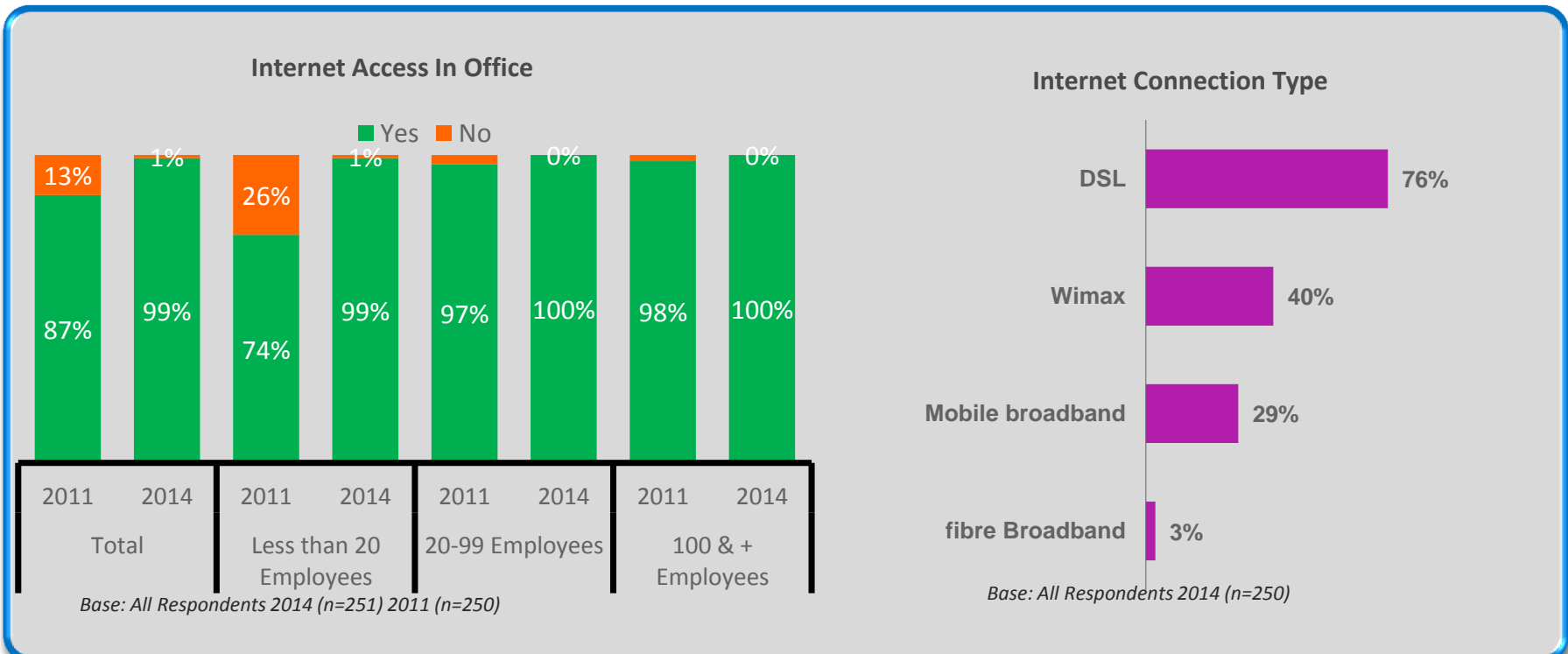
International Calls

Internet Service

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ACCESS TO INTERNET

- Internet is essential for the exchange of information in today's business environment.
- 99% of businesses have internet access in their offices compared to 87% in 2011. This increase is mainly due to increased internet access among small size businesses; in 2011 only 74% of small businesses had internet access whereas in 2014 this proportion had increased to 99%.
- National data services are important to businesses with 76% of businesses having a DSL connection and 40% of businesses having a WiMax connection, while 29% of businesses use mobile broadband

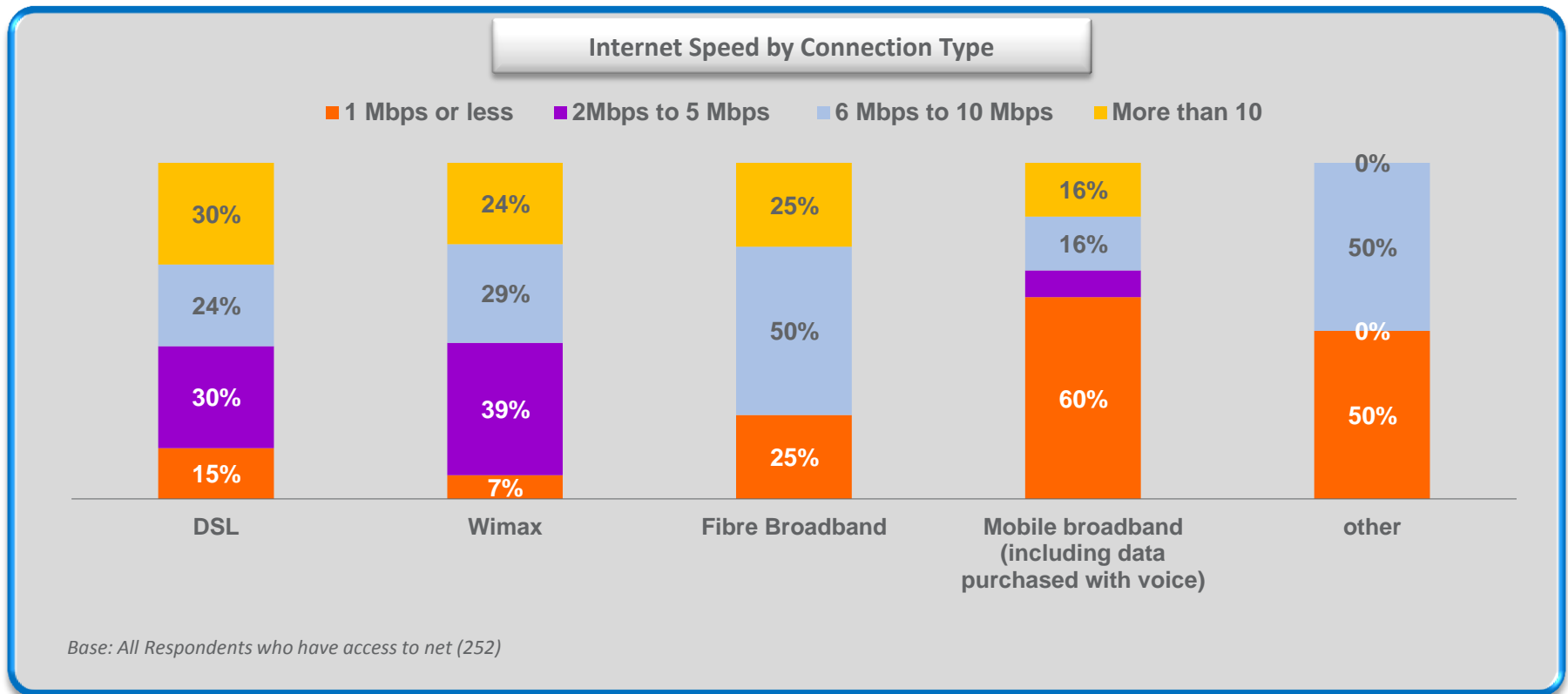


Q55. Did your organization have an internet connection in the last 12 months?

Q56. How did your organization connect to the Internet during the last 12 months? (

BROADBAND CONNECTIONS

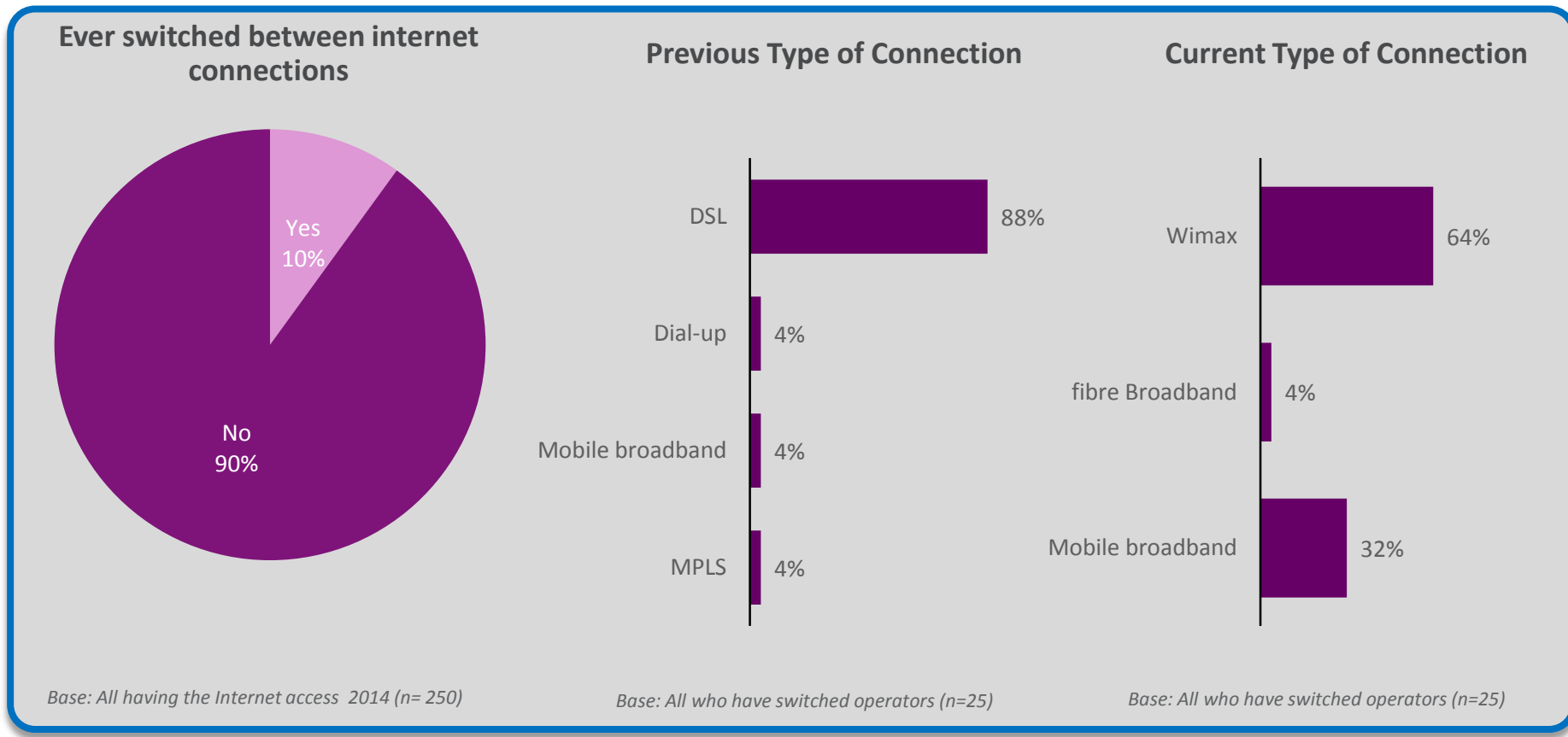
- Of those who have a DSL connection, 84% have an internet connection speed of more than 2mbps whereas 60% of those who have Mobile Broadband have an internet connection of 1 mbps or less.



Q 57 What is the advertised speed/s of the below type of internet connection your organization subscribes to?

SWITCHING OF INTERNET TYPE TO MOBILE BROADBAND

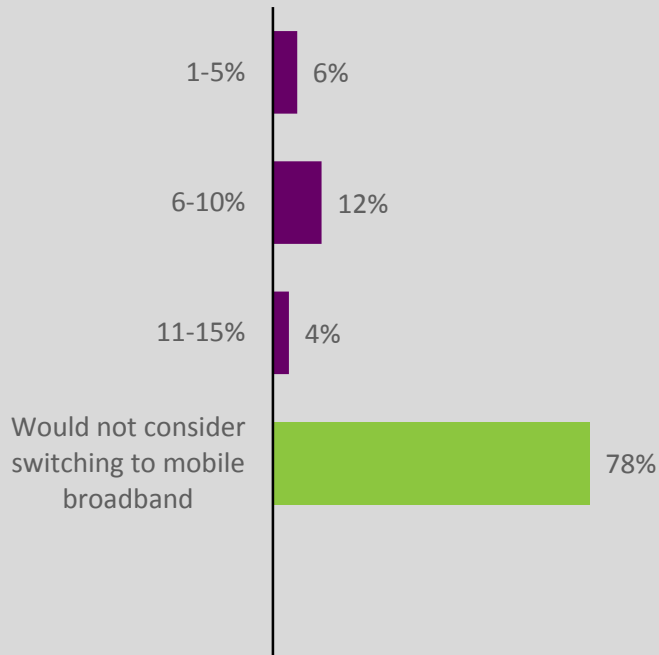
- 1 in 10 businesses have switched their internet connection type
- Among those who have switched majority have moved to WiMax and Mobile Broadband



SWITCHING OF INTERNET TYPE TO MOBILE BROADBAND

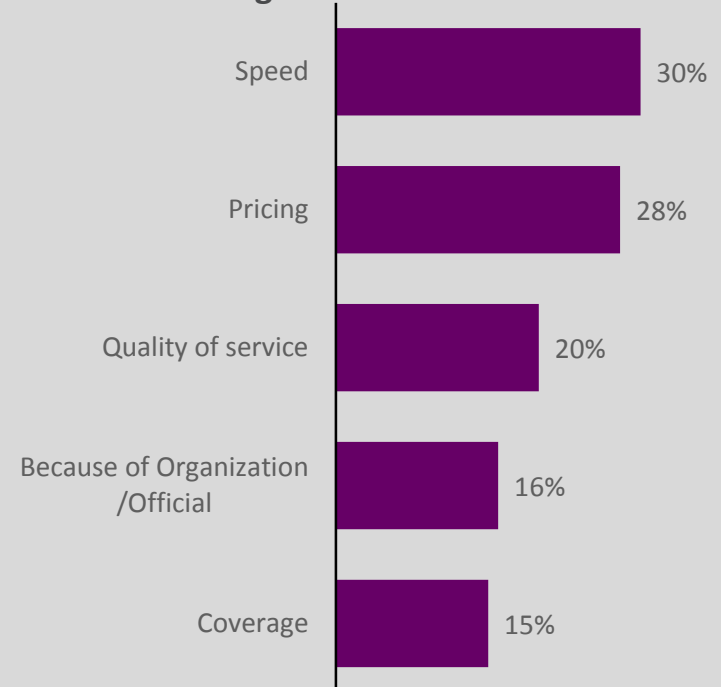
- 18% of businesses with a fixed internet services would switch to mobile broadband in response to not more than 10% increase in price.
- 78% of businesses would not consider switching to mobile broadband due to concerns around speed, pricing and quality of service

% rise in cost at which organization will switch to mobile broadband



Base: All having the Internet access 2014 (n= 250)

Reasons for not considering Switching to mobile broadband

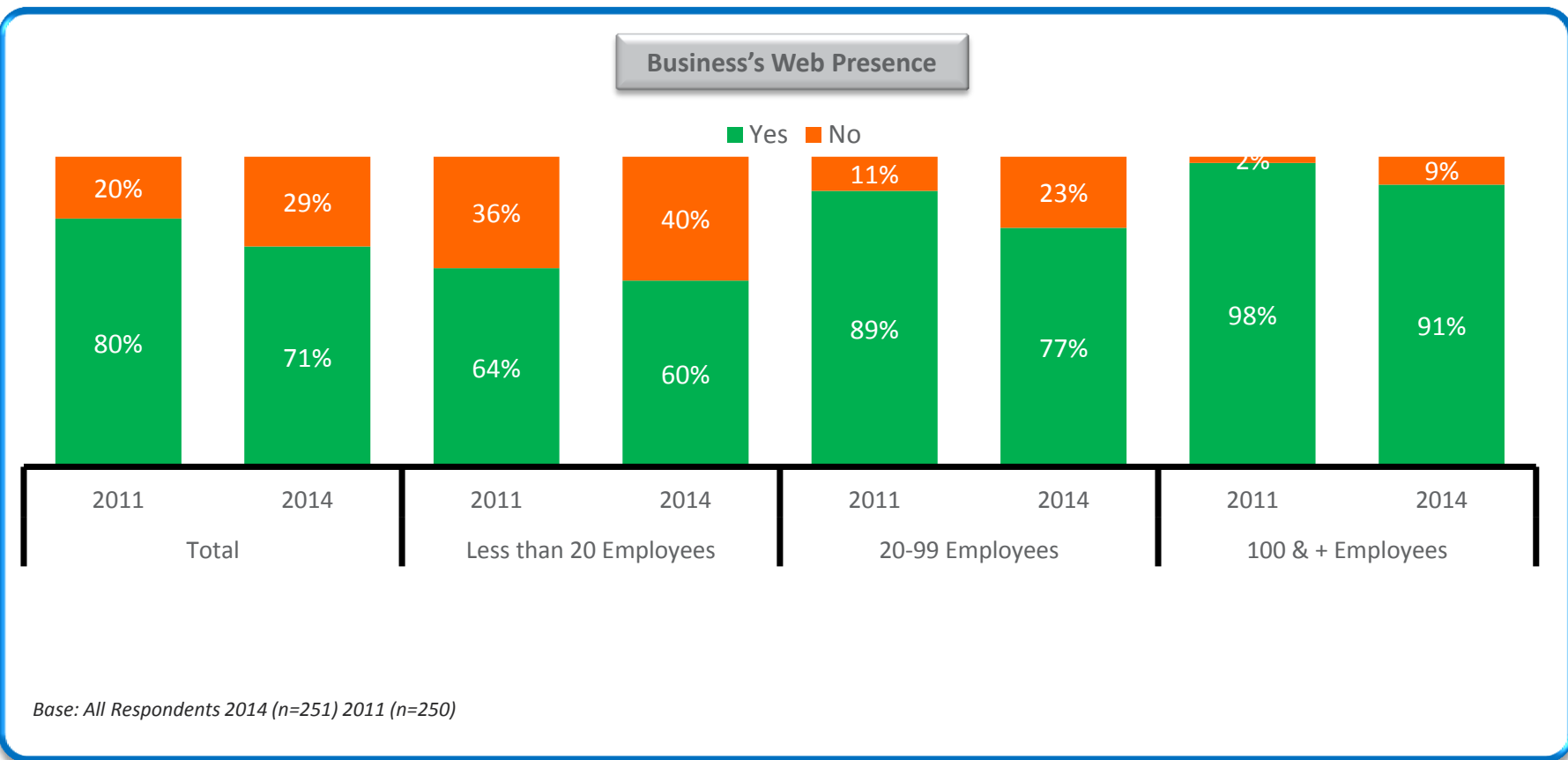


Base: All who will not consider switching to mobile broadband (n=183)

[Q63] If your current fixed internet monthly expense increased by the following percentages, would you consider switching to a mobile broadband service (e.g. using 'dongle' or router)
[Q64] What is the main reason for not considering switching to a mobile broadband service?

WEB PRESENCE

- Web presence of business has dropped from 80% in 2011 to 71% in 2014, mainly in medium- size businesses.
- Having a web presence increases with the increasing in the size of businesses; 91% of large businesses have a web presence; 77% of medium businesses and 60% of small size businesses.

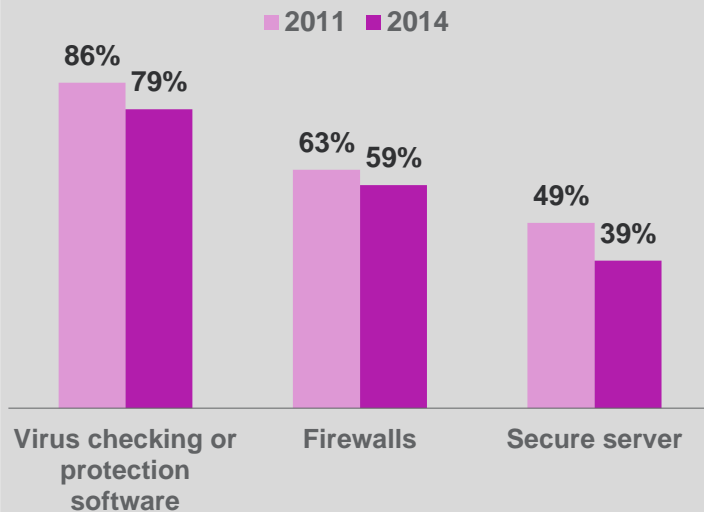


Q10 Business has web presence

INTERNET SECURITY

- Internet security is an important consideration for businesses.
- In 2014, 79% of businesses have “Virus Checking and Protection Software”, 59% of businesses use Firewalls, and only 39% have secured servers.
- Large businesses are very concerned with internet security as they deal with large volumes of data.

Internet Security Facilities (Yes)



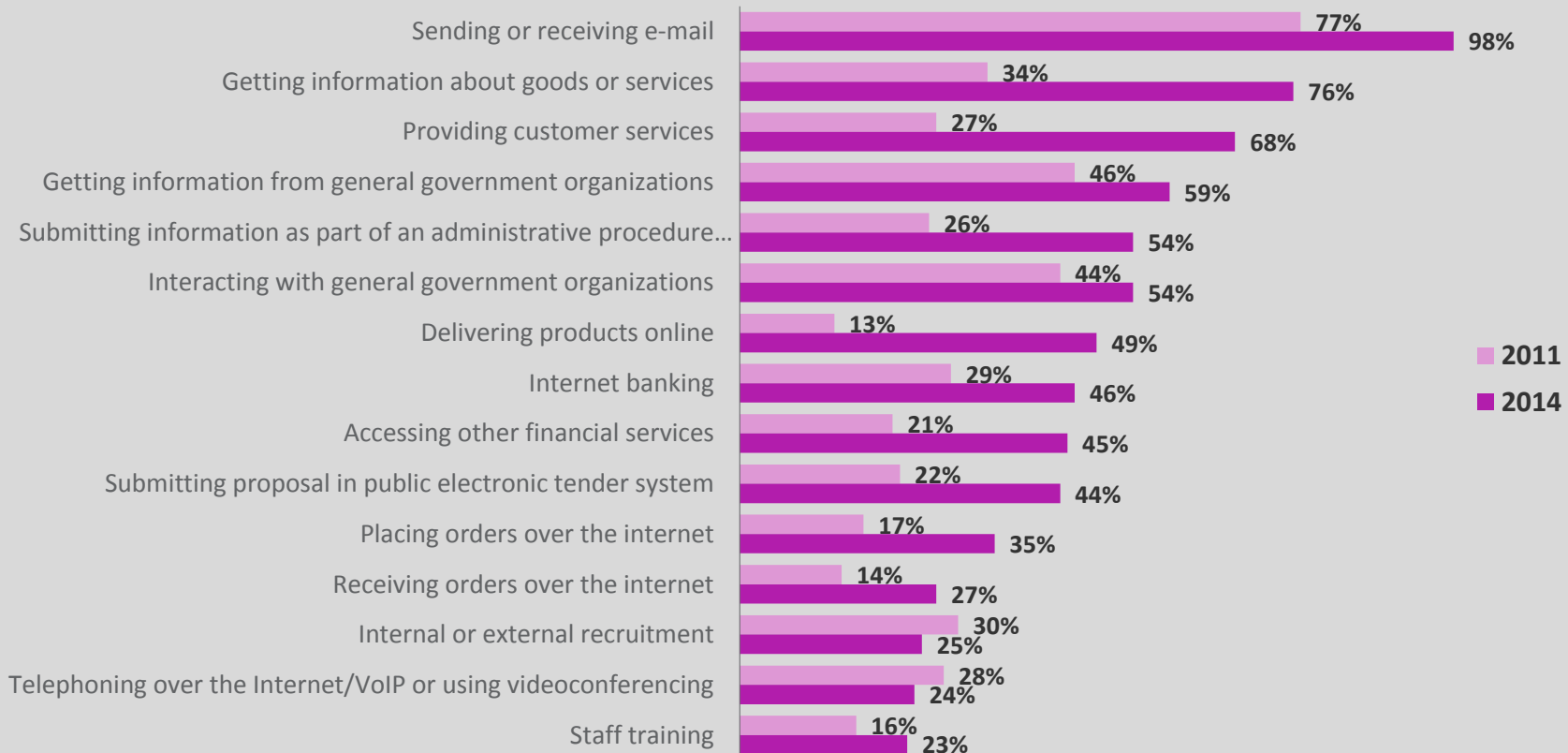
Base: All Respondents 2014 (n=251) 2011 (n=250)

2014	Less than 20 Employees	20-99 Employees	100+ Employees
Base	133	71	47
Virus Checking or Protection software	77%	76%	89%
Firewall	49%	65%	79%
Secure Server	34%	41%	49%

Q3. Which of these internet safety facilities are being used in your company?

INTERNET ACTIVITIES

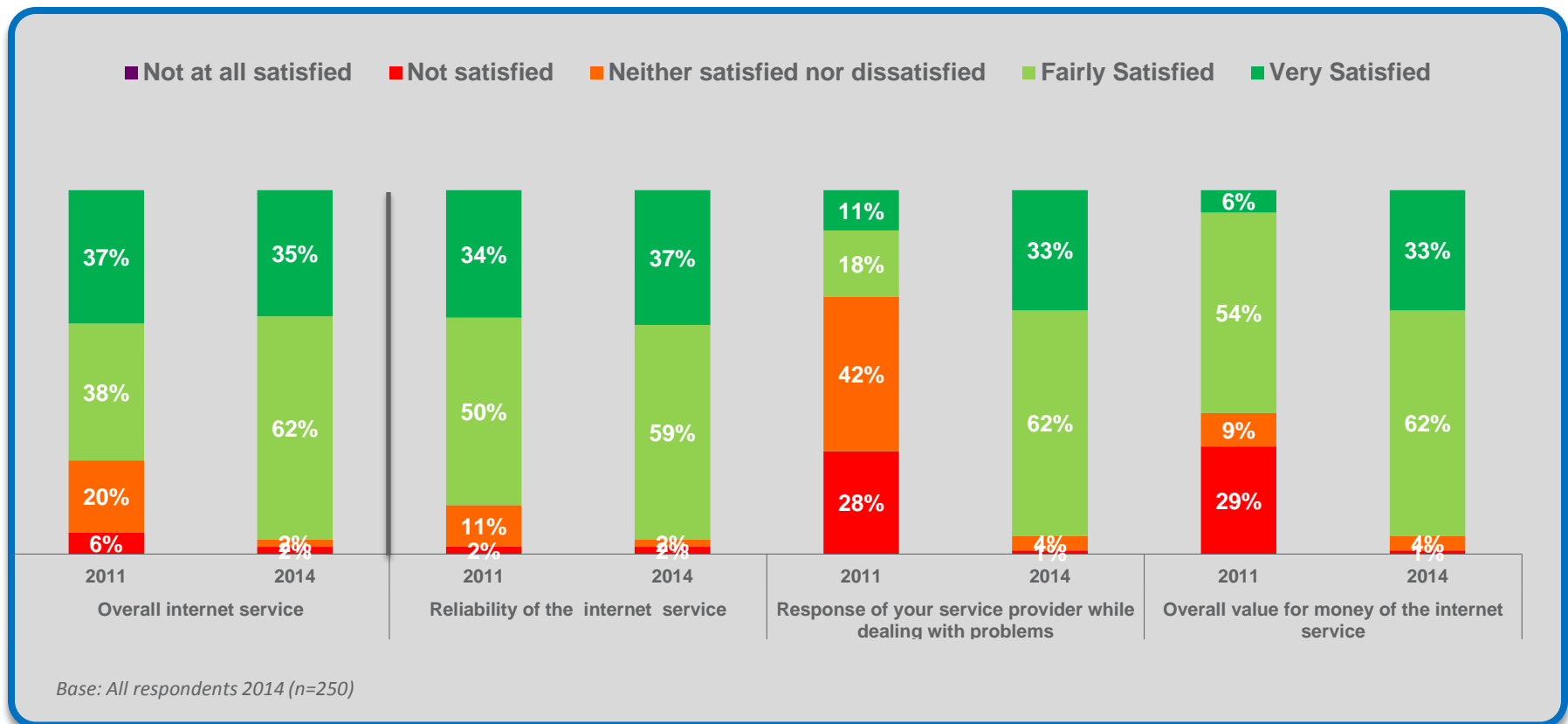
- Overall, the proportion of businesses engaging in internet related activities has grown compared to 2011. In particular, providing customer services and delivering products online have become more prominent in 2014 (68% and 49% respectively) compared to 2011 (34% and 13% respectively). Sending or receiving email remains the main internet activities among businesses (98% in 2014 and 77% in 2011)



Q58 For which of the following activities did your organization use the Internet during the last 12 months?

SATISFACTION WITH INTERNET OPERATOR

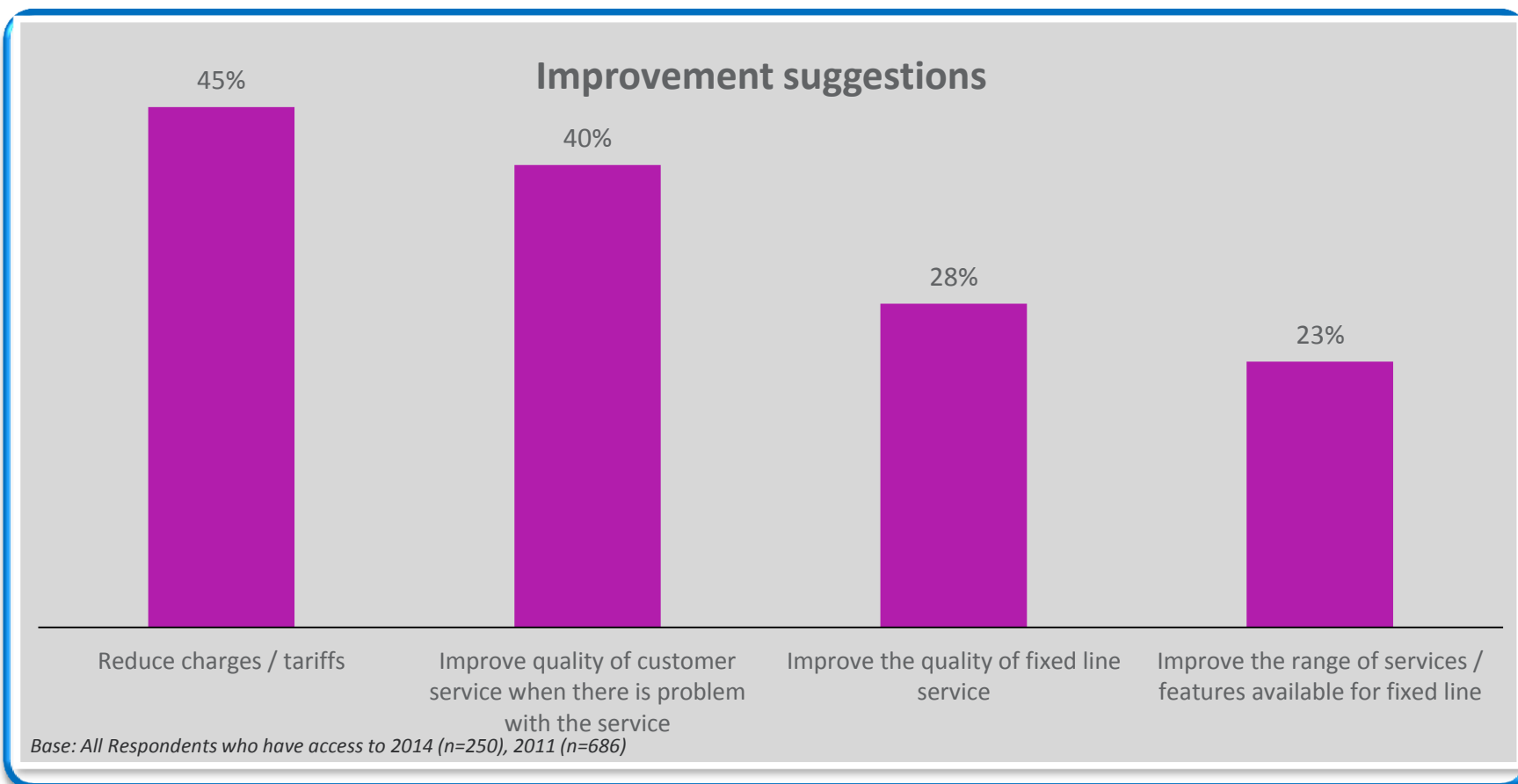
- Satisfaction levels among businesses towards internet services has significantly increased since 2011.
- In 2014 more than 90% of businesses are satisfied with their overall internet service, reliability of the internet service, response of their service provider while dealing with problems and overall value for money of the internet service.



Q75. How satisfied are you with the following elements of your internet service?

IMPROVEMENT SUGGESTIONS FOR INTERNET SERVICE

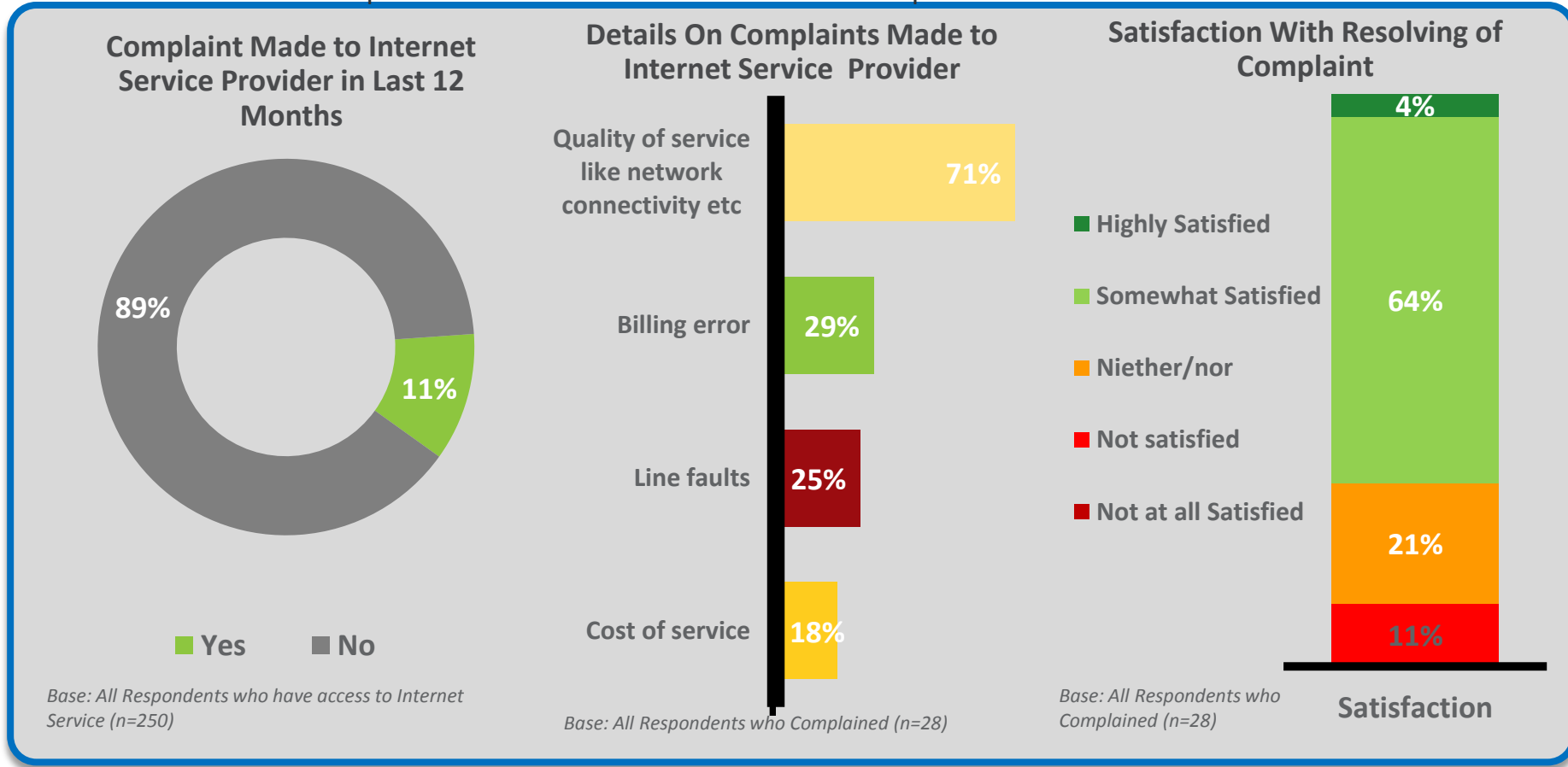
- Reducing charges/tariffs (45%) and Improving quality of customer service (40%) are the top suggestions for improvement of internet service



Q76. Could you please tell me if there are any suggestions you would like to make to help serve you better in the future for internet services?

COMPLAINTS MADE TO INTERNET SERVICE PROVIDER

- 11% of the businesses made a complaint to their internet service provider in the last 12 months. 71% of the complaints made were due to the quality of service.
- 68% of those who complained were satisfied with the resolution provided



[Q72] Complaint made regarding Internet services in last 12 Months

[Q44] Reason to complaint about Mobile phone services

[Q45] Satisfaction with the resolution of complaint related to Mobile Phone Services

SUMMARY OF INTERNET/DATA SERVICES

- Internet is essential for the exchange of information in today's business environment, with almost all medium and large businesses having access to the internet. 99% of businesses have internet access in their offices up from 87% in 2011
- National data services are important to businesses with 76% of businesses having a DSL connection and 40% of businesses having a WiMax connection.
- A significant majority of businesses do not regard mobile broadband to be a close substitute for fixed broadband, due to concerns around speed, pricing and quality of service.
- The majority of businesses have a web presence, with 98% of large businesses and 77% of medium business having a website (a drop from 89% in 2011)
- Internet security is an important concern for businesses for the secure exchange of information. 79% of businesses use "Virus Checking and Protection Software" for internet security (a down from 86% in 2011).
- Usage of internet for business related activities has grown significantly especially for delivering products online, submitting proposals on public electronic tender system and accessing financial services including internet banking.

SUMMARY OF INTERNET/DATA SERVICES

- The majority of businesses are satisfied with internet services (i.e. overall services; range of services quality of services and charges)
- 10% have switched their type of internet connection primarily due to speed and cost reasons
- 11% filed a complaint with their service provider mainly due to quality of service



هيئة تنظيم الاتصالات
Telecommunications Regulatory Authority
Kingdom of Bahrain - مملكة البحرين

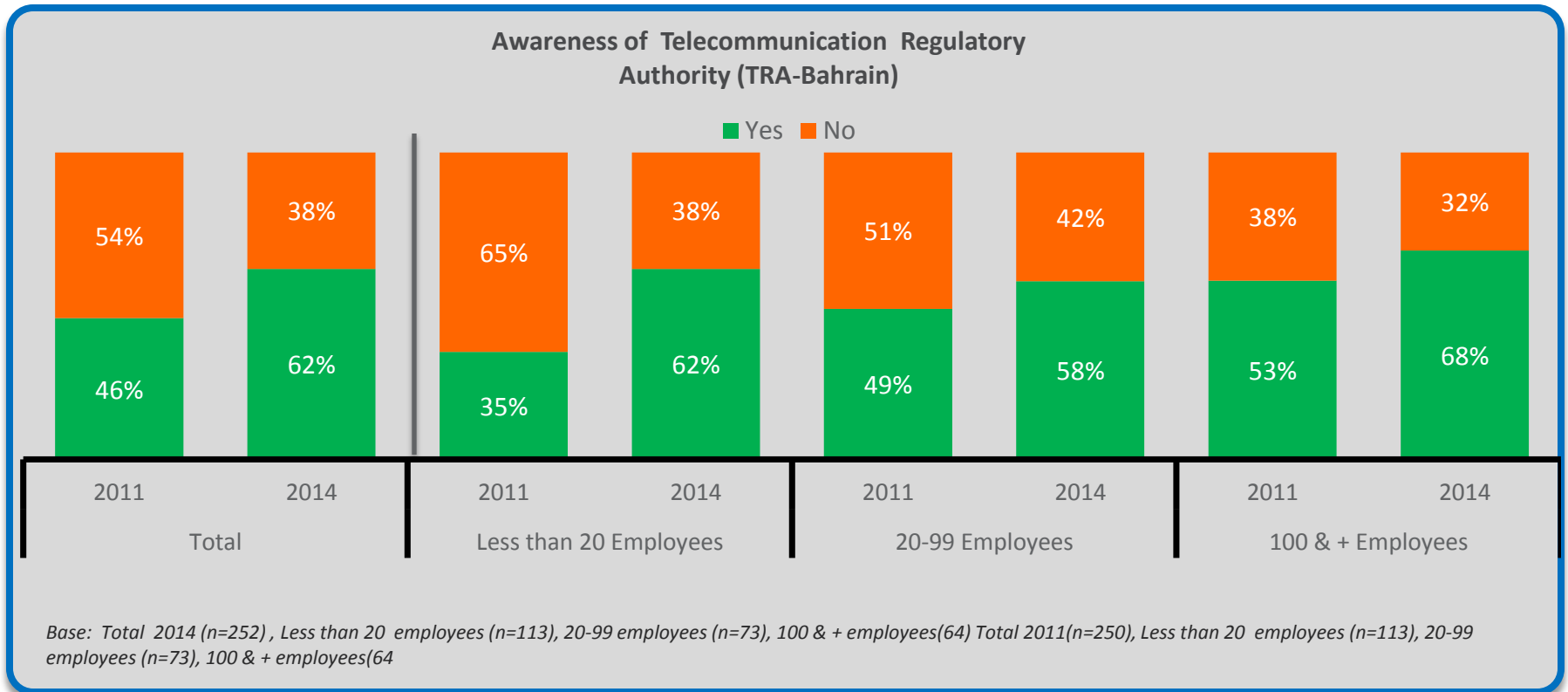
TRA AWARENESS

Awareness & Knowledge Of TRA Services

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TRA - AWARENESS

- 62% of businesses in 2014 are aware of the Telecommunication Regulatory Authority (TRA – Bahrain) compared to 46% in 2011.
- The awareness level is slightly higher among larger businesses.

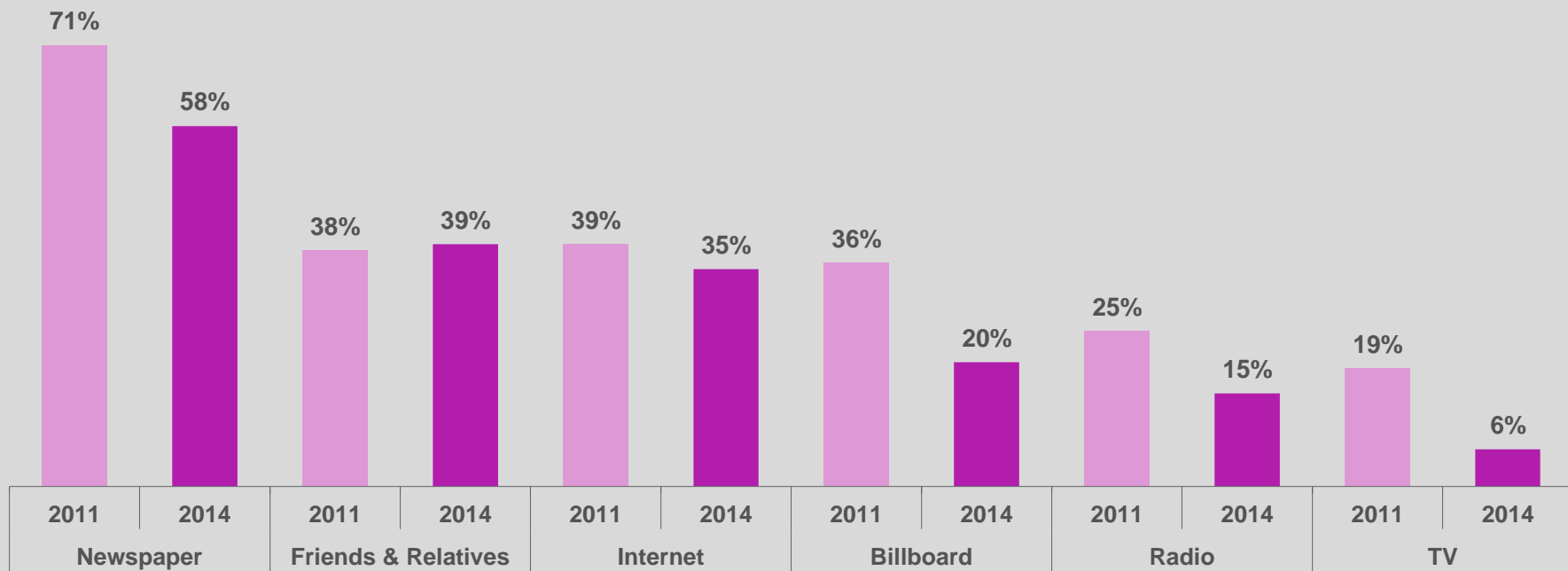


[Q81] Have you ever heard about the Telecommunications Regulatory Authority (TRA) in Bahrain?

TRA AWARENESS – SOURCES

- Newspaper (58%), friends/relatives (39%) and internet (35%) are the major sources of awareness.

Source of awareness

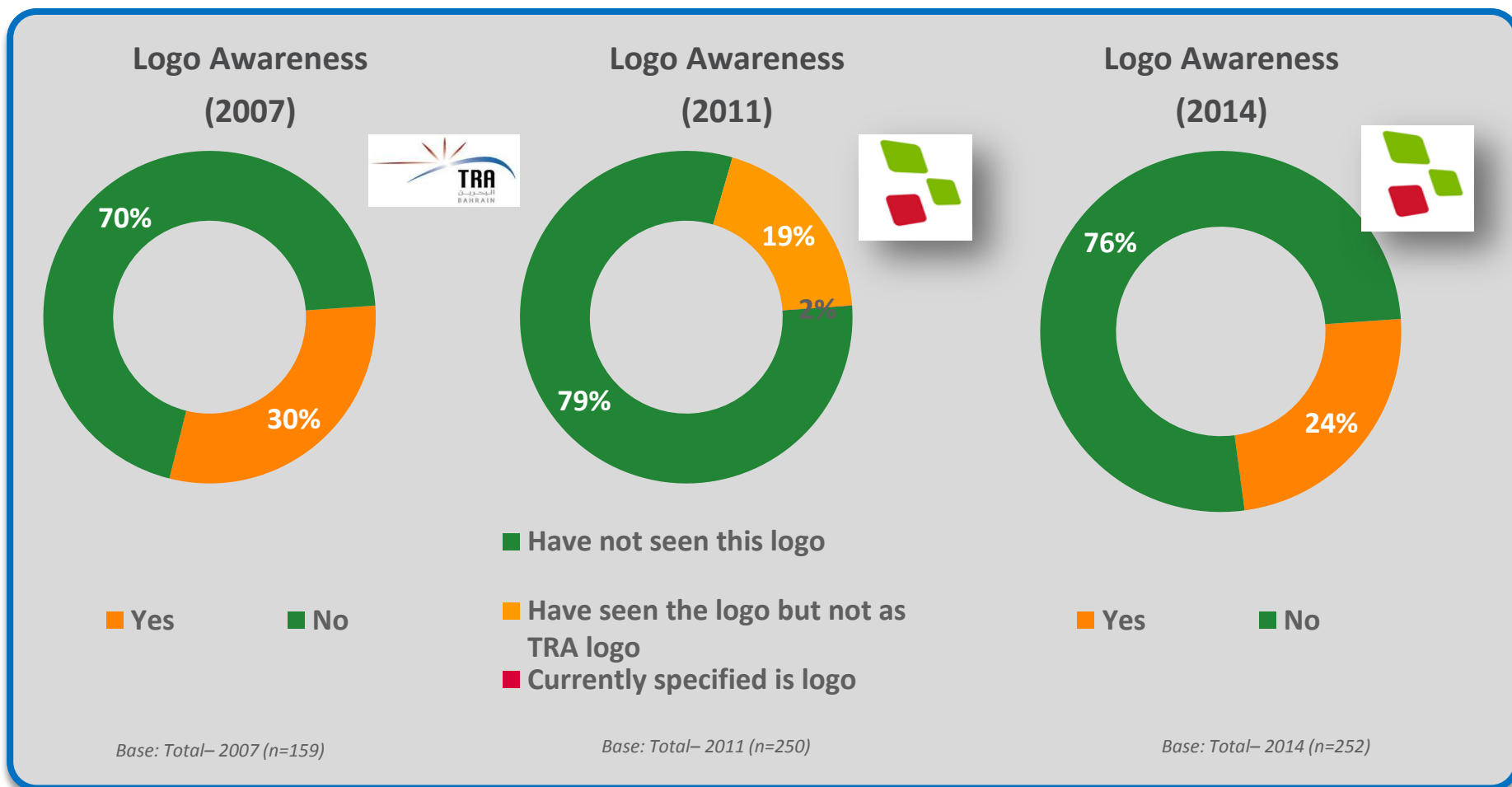


Base: Aware of TRA– 2014 (n=156), 2011 (n=116)

[Q83] Could you please tell me through which source have you heard of the Telecommunications Regulatory Authority (TRA)?

TRA LOGO AWARENESS

- Proportion of people recalling the logo has increased to 24% in 2014 compared to 19% in 2011.



[Q82] Please see this card and tell me whether you recall seeing this logo?

PERCEIVED ROLE OF TRA

- In 2014, the main role of TRA as recalled by businesses was “To regulate the telecommunications service providers to follow the rules” compared to “reduce cost” in 2011.

Customer say on the role of TRA – 2011	
Reduce Cost	35%
Manage the telecom services	31%
Authorization of telecom services	6%
Take decisions of telecoms service	2%
Don't know much about it	13%
Customer say on the role of TRA – 2007	
To control service /telecom / comm.	35%
Regulate rules of a telecoms companies	31%
It control charges	6%
They take care of our complaints	2%
Don't know much about it	16%
Don't know	17%

Customer say on the role of TRA – 2014	
To regulate the telecommunications service providers to follow the rules	32%
Rules and regulation controller	22%
Controls the right of consumers	21%
It manages the telecom Industry	8%

Base: Aware of TRA– 2014 (n=156), 2011 (n=116), 2007(n=48)

[Q84] What do you think is the main role of Telecommunications Regulatory Authority (TRA)?

SUMMARY OF TRA AWARENESS & ITS ACTIVITIES

- Almost 2/3rd of businesses are aware of the Telecommunications Regulatory Authority (TRA), up from 48% in 2011
- Newspapers remain the main source of TRA awareness along with internet
- Awareness regarding TRA's logo has gone up from 19% in 2011 to 24% in 2014
- Respondents perceive regulating telecommunication services in Bahrain as being the main role of TRA Bahrain

CONCLUSION

The Nielsen logo is centered within a white circle. The word "nielsen" is written in a lowercase, sans-serif font, with the "n" in blue and the rest in grey. Below the word are five small grey dots.

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CONCLUSION

ICT Services - General

- 38% believe ICT services are indispensable for their businesses
- Shift seen in the purchasing method of ICT services. 39% in 2014 stated they procure services from different providers compared to only 20% in 2011. This is seen along with slow rise in the % of businesses conducting tendering process
- Recruiting employees with ICT skills is increasingly becoming easy for businesses in Bahrain.
- 57% have an intranet and 58% stated to have wireless LAN

TRA Awareness

- TRA has been successful in improving awareness levels among businesses in Bahrain. 2/3rd of the businesses are aware of TRA compared to 48% in 2011. The improvement also seen as 1 in 4 respondents were able to recall the logo.
- Respondents perceive regulating telecommunication services in Bahrain is the main role of TRA Bahrain

CONCLUSION

Fixed Line Services

- The average number of fixed national calls made by businesses has significantly decreased compared with 2011.
- Less interest among businesses to switch as almost all are happy with their current service provider
- For large businesses, average monthly expenditure on fixed line services has increased significantly since 2011. However, the average monthly spend by small and medium businesses has slightly decreased
- The majority of businesses are satisfied with their overall level of fixed line services.

Mobile Phone Services

- The proportion of businesses that provide mobile phones to employees has decreased by more than 30% since 2011, with majority of large businesses providing mobiles to their staff.
- The duration of national calls made from mobile phones has remained similar since 2011, with 63% of calls lasting for more than 3 minutes in 2014 as against 66% in 2011
- SMS (70%), International roaming (47%) and conference calls (37%) are the main value added services used by businesses.
- Almost 1 in 3 businesses have switched from mobile service provider up from just 3% in 2011 primarily due to value for money
- Average spend on mobile phone services has increased significantly for large businesses
- The majority of businesses are satisfied with most aspects of their mobile phone service

CONCLUSION

International Calls

- VOIP is still in its nascent stage among businesses
- 58% of businesses make up to 50 calls on daily basis. UAE (73%) and KSA (61%) are the most commonly called countries.
- Using mobile phone UAE and India are the top destinations whereas KSA and UAE are the top destinations called using a fixed line

Internet and Data Services

- Internet is essential for the exchange of information in today's business environment, with almost all businesses having access to the internet.
- Of those businesses accessing the internet, the majority (76%) use a DSL service with 84% of them having a connection of more than 2 mbps
- Sending or receiving emails is the most common internet activity used by businesses.
- Satisfaction with internet services has improved in most areas, with 97% of businesses satisfied with overall service levels (up from 75% in 2011).
- Only 1 in 10 filed a complaint with their internet service provider primarily due to quality of service

APPENDIX

The Nielsen logo is centered within a white circle. The word "nielsen" is written in a lowercase, serif font, with the "n" in blue and the rest in grey. Below the word are six small grey dots.

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Target Respondent

- Responsible for telecoms needs in the organization (Decision makers or Influencers).
- Following sectors were included in research:
 - Agriculture, hunting and forestry
 - Manufacturing
 - Construction
 - Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods
 - Hotels and restaurants
 - Transport, storage and communications
 - Financial intermediation
 - Health and social work
 - Other community, social and personal service activities

Research Methodology

- **252 Quantitative face to face interviews** across various industries were conducted amongst the target respondents using a structured questionnaire.
- Interviews were conducted in English / Arabic as convenient to the respondent.
- Interview length was approximately of 25-30 minutes.
- Field work timing: June/July 2014.

SAMPLE PROFILE – INDUSTRY-WISE

NUMBER OF EMPLOYEES	SAMPLE SIZE 2014	SAMPLE SIZE 2011	SAMPLE SIZE 2007
Wholesale & Retail	71	85	25
Construction	44	37	23
Manufacturing	37	32	21
Real Estate	25	21	
Govt. Org.		19	
Other (Social & Personal Services)	9	15	
Hotels and restaurants	22	13	32
Transport, IT & Communication	11	7	6
Fishing		6	
Financial intermediation	23	5	
Education		3	
Health and social work	10	2	5
Agriculture		1	
Utility		1	
Public Administration		1	
Extraterritorial organizations and bodies		1	
Financial, Insurance, Real estate & Business services			33
Business Services (Ad agencies / Consultants) etc			14
Others		1	
TOTAL ESTABLISHMENTS	252	250	159

RESPONDENT PROFILE – COMPANY SIZE

NUMBER OF EMPLOYEES		SAMPLE SIZE 2014	SAMPLE SIZE 2011	SAMPLE SIZE 2007
Less than 20 Employees	Small Businesses	40	113	666
20-99 Employees	Medium Businesses	45	73	65
100 & More Employees	Large Businesses	55	64	28
TOTAL ESTABLISHMENTS		252	250	159