2015 TELECOMMUNICATIONS MARKET SURVEY REPORT

RESIDENTIAL RESULTS

06 APRIL 2016

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 1196 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.

TABLE OF CONTENTS

INTRODUCTION

- Research Background
- Research Objectives

RESEARCH BACKGROUND

- 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.
- During 2015, TRA has commissioned Nielsen to conduct a telecommunication market survey with the objective of better understand the demand for telecommunications services in Bahrain. This includes usage of and access to telecom services across various users. 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 residential survey, which was based on 1196 face-to-face interviews conducted during May and June 2015.
- TRA has also conducted a similar survey in 2007, 2011 and 2014. The results of these surveys can be found at http://www.tra.org.bh/en/media/consumer-and-business-surveys/

RESEARCH OBJECTIVES

The key objectives of the 2015 survey are to understand the following

ACCESS TO TELECOM SERVICES IN BAHRAIN

USAGE OF TELECOM SERVICES IN BAHRAIN

SATISFACTION WITH VARIOUS TELECOM SERVICES

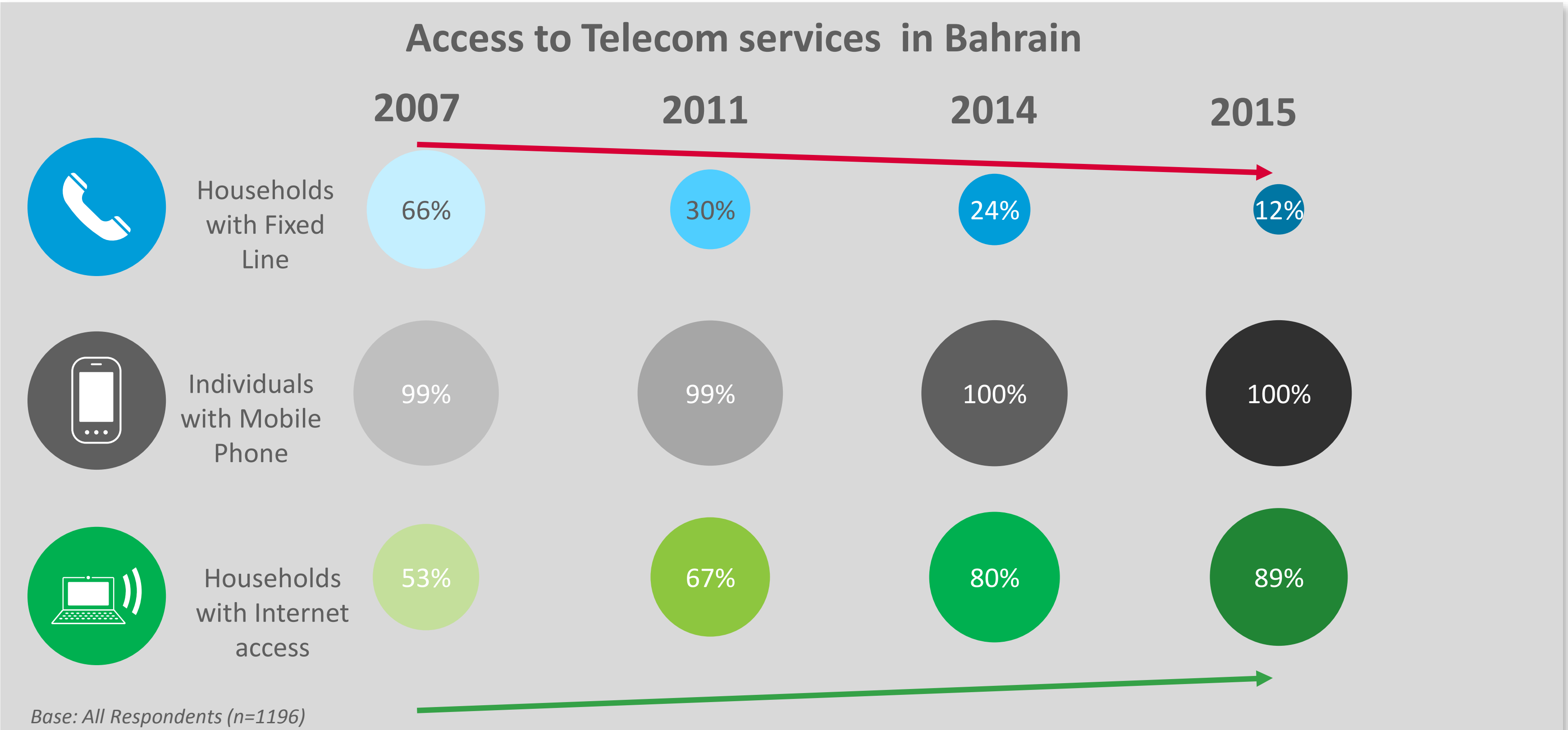
SWITCHING BEHAVIOR

Where appropriate the results of the 2015 survey have been compared with the results from previous years surveys to identify the key trends during this period

KEY SURVEY FINDINGS

ACCESS TO TELECOM SERVICES IN BAHRAIN

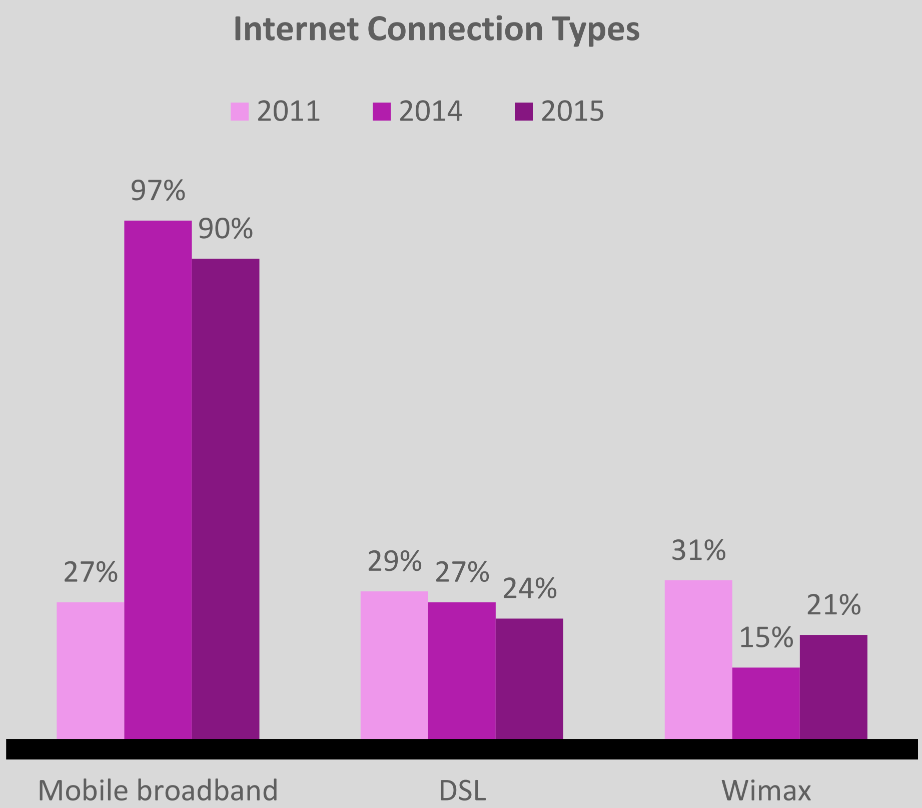
- **100%** of respondents have access to mobile phone, which is broadly comparable to previous years.
- Access to the internet continues to increase. **89%** of respondents have access to internet at home compared with 80% in 2014.
- Fixed line access continues to fall, only **12%** of respondents in 2015 survey have access to a fixed line service at home.



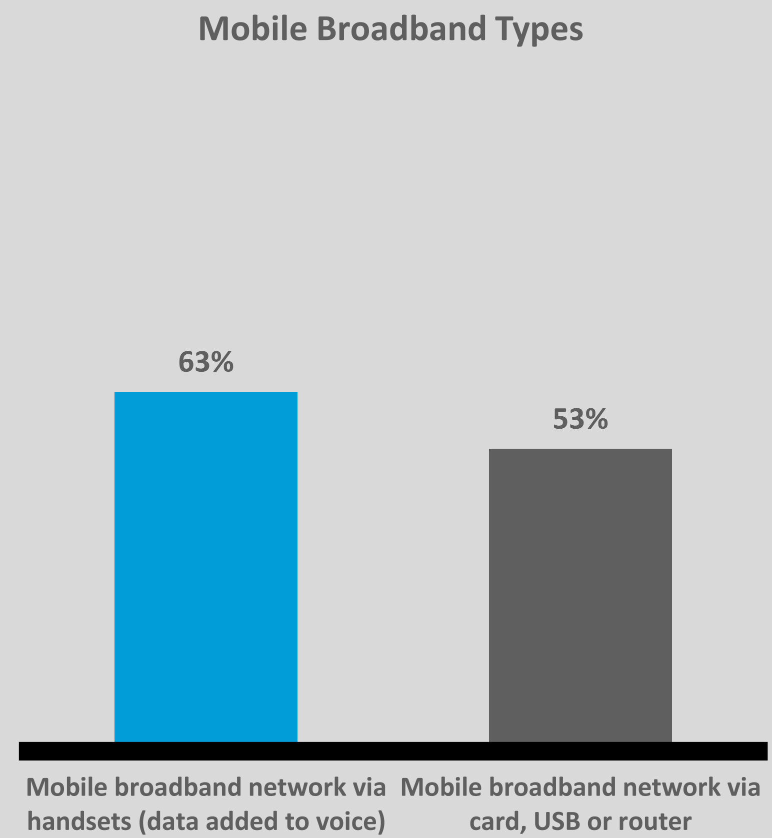
[Q6] Does this household have a fixed line telephone line?
[Q21] Does this household have a mobile phone?
[Q55] Do you have internet at home?

INTERNET ACCESS IN BAHRAIN

- Mobile broadband has decreased from 97% in 2014 survey to 90% in 2015 survey.
- In the 2015 survey, 63% used mobile data to access internet whereas 53% used mobile broadband via a card, USB or a router



Base: All who have used internet (n=1061)

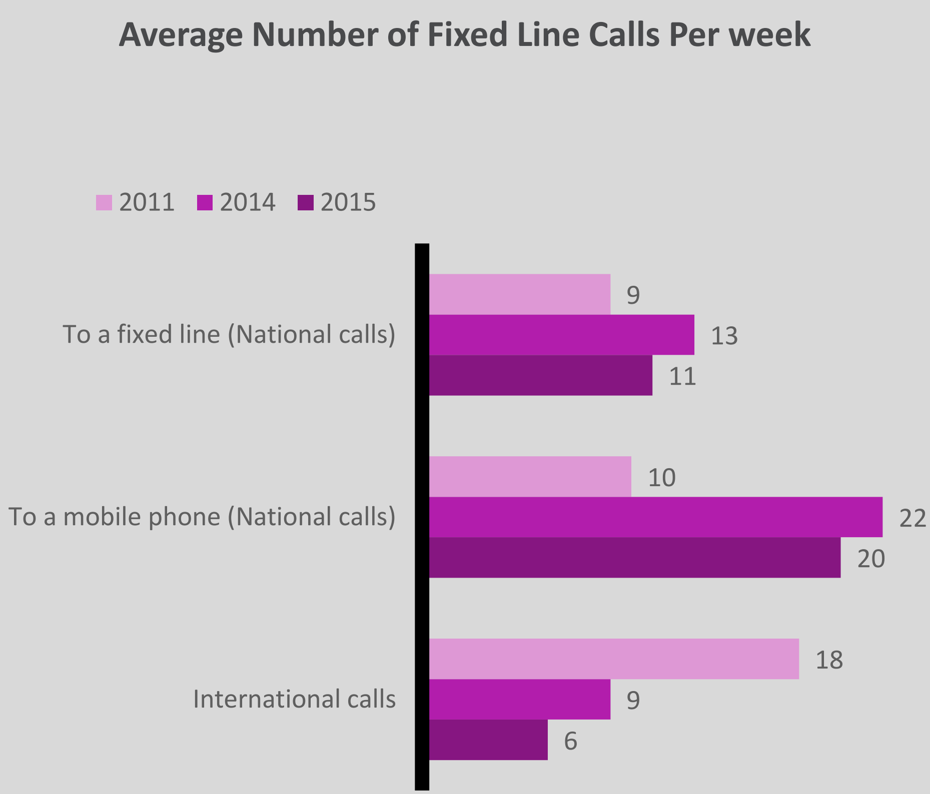


Base: All who have used internet (n=1061)

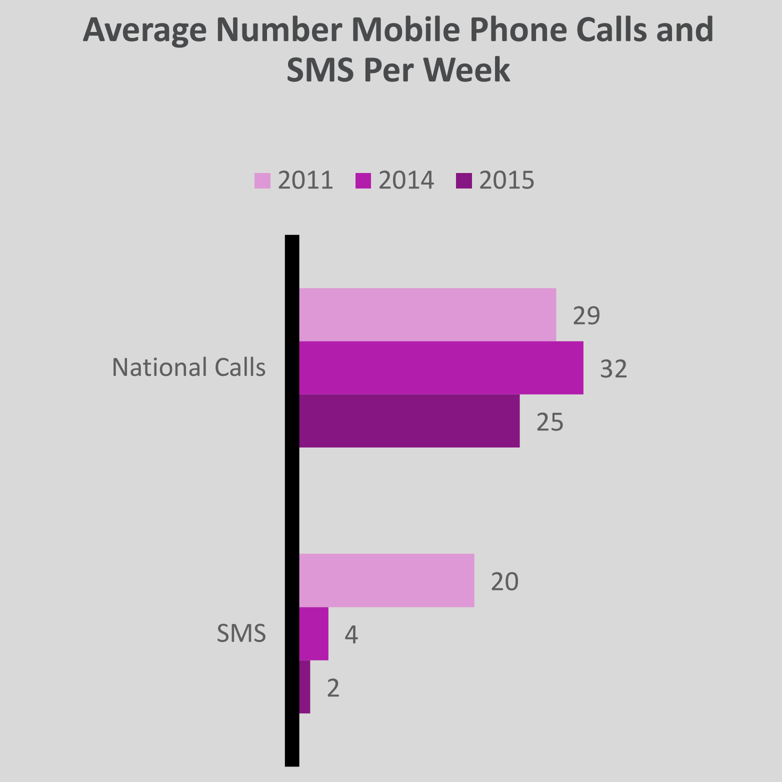
[Q57] Type of internet access

USAGE OF TELECOM SERVICES IN BAHRAIN

- Average number of fixed line calls has slightly decreased in 2015 survey compared with the 2014 survey.
- While average number of mobile phone calls has slightly decreased during the three years , the average number of SMS witnessed a significant drop during the same period.



Base: All Respondents who use fixed line (n=144)



Base: All Respondents who use mobile phone (n=1195)

[Q13] On average, how many calls do you make each week from your fixed line phone?
[Q31] On average, how many calls do make each week from you mobile phone
[Q33] Could you please tell me in a typical week how many SMS do you send??

INTERNET RELATED ACTIVITIES

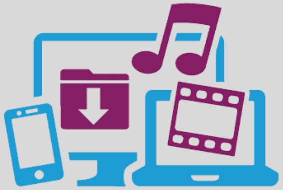
- In 2015, 93% of respondents have used the internet in last three months, compared to 87% in 2014.
- Overall, the proportion of respondents engaging in internet related activities has grown compared to 2014.
- In particular, telephony services over VoIP has become more prominent in 2015 (44%) compared to 2014 (39%)
- Social networking remains the main internet activity among respondents (74%).

Main Internet Activities (2015)

74% Social networking sites

58% Sending or receiving e-mail

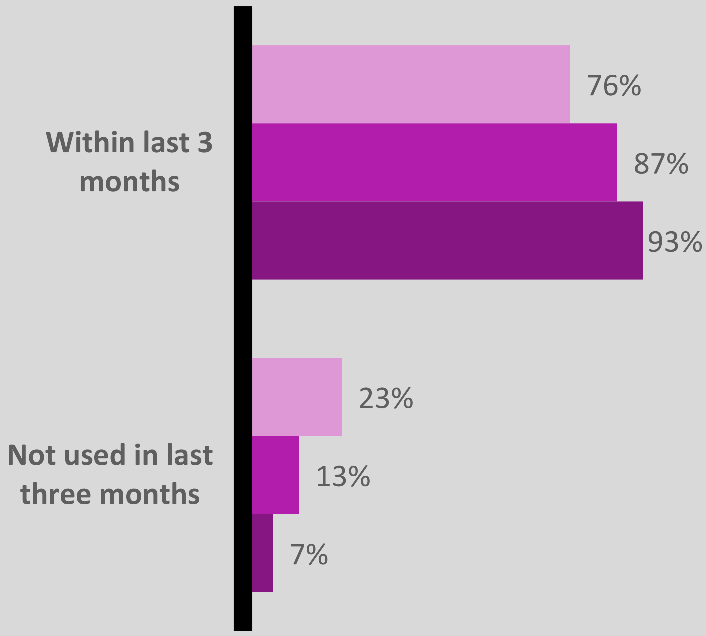
45% Downloading movies, images, music etc.



44% Telephoning over the Internet/VoIP

Base: All who have used internet (n=1118)

Internet Recent Usage Frequency



Base: All Respondents (n=1196)

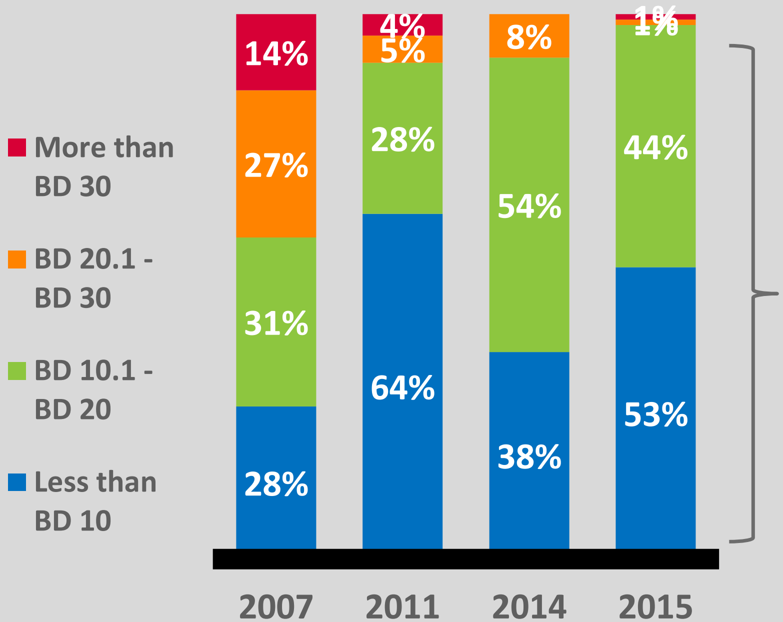
[Q62] Have you used internet from any location in the last 3 months?

[Q65] For which of the following activities did you use the internet for private purposes (from any location) in the last three months?

AVERAGE MONTHLY SPEND

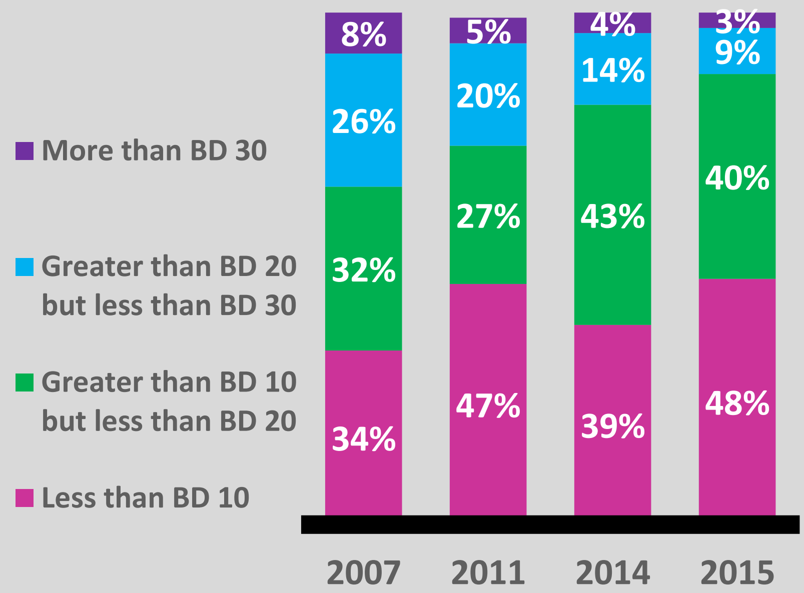
- The majority of respondents (97% in 2015) spend less than BD20 on their fixed line services.
- The proportion of the respondents who spend more than BD10 but less than BD20 on their mobile phone services has slightly decreased to 40% in 2015 compared to 43% in 2014.

Average monthly spend - Fixed Line



Base: All who have used fixed line (n=144)

Average monthly spend - Mobile Phone Service (including data)



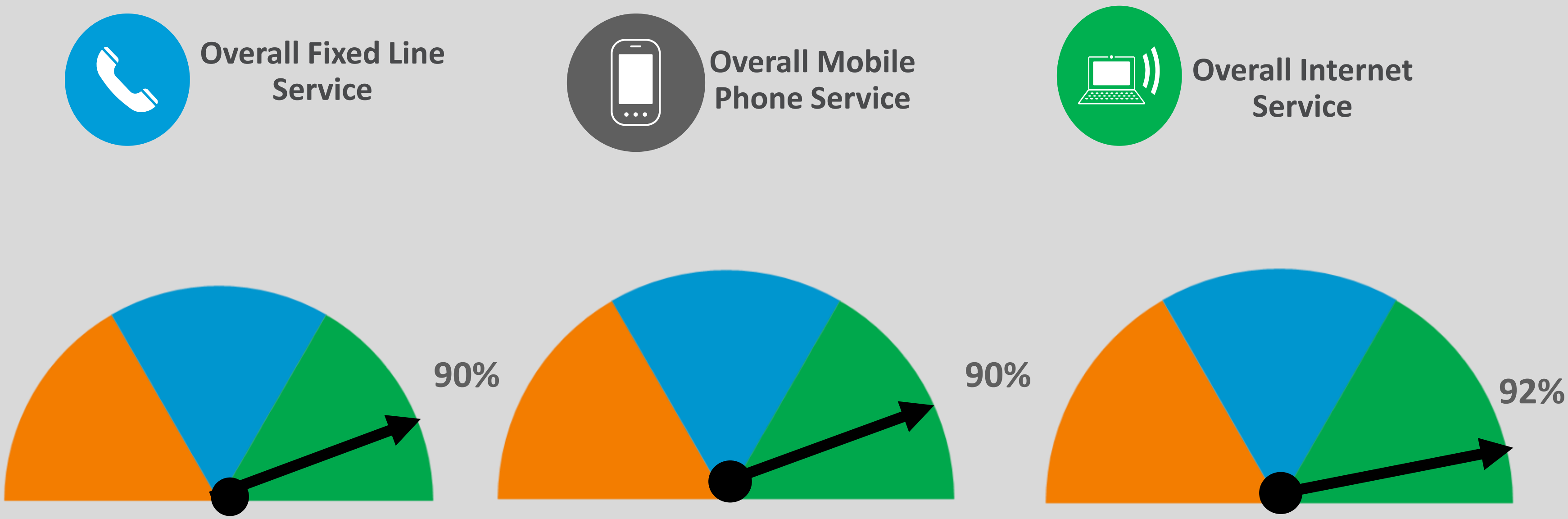
Base: All who have used mobile phone line (n=1195)

[Q18] What is your household's average monthly bill on fixed line services?(including international calls)?
[Q38] On average, how much do you spend on mobile phone service (including international calls) each month?

SATISFACTION WITH TELECOM SERVICES

- Overall consumer satisfaction with telecom services in Bahrain has remains high in 2015 across different telecom services

Overall Satisfaction across Telecom services in Bahrain

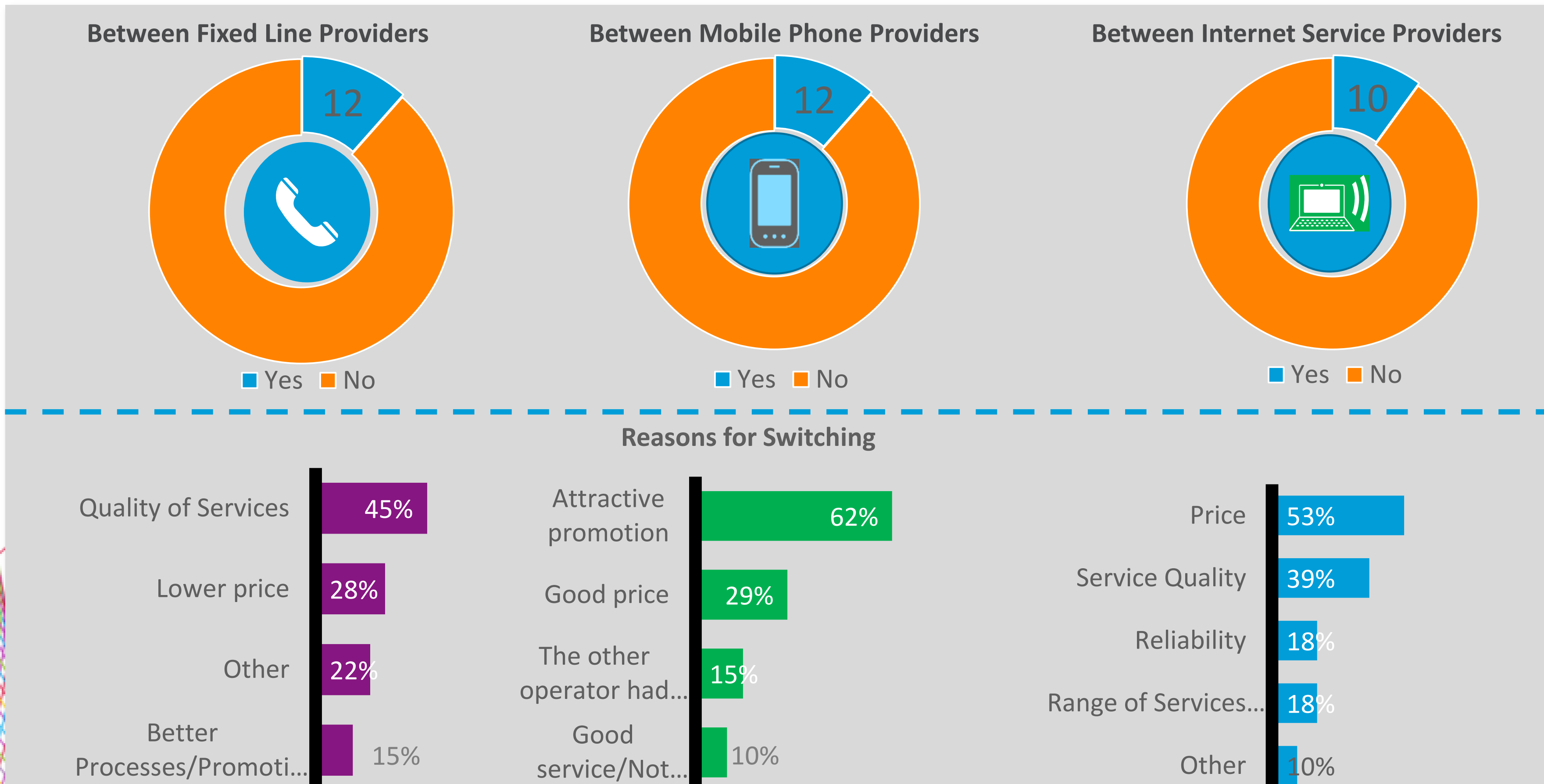


Base: All who have used fixed line (n=144) *Base: All who have used mobile phone (n=1195)* *Base: All who have used internet (n=1061)*

[Q19] How satisfied are you with the following elements of your fixed phone service?
[Q42] How satisfied are you with the following elements of your mobile service?
[Q81] How satisfied are you with the following elements of your internet service?

SWITCHING BETWEEN TELECOM SERVICES PROVIDERS

- 12% of respondents who have a fixed line have switched their fixed line providers. Same percentage of respondents have switched their mobile service providers and slightly lower percentage of respondents (i.e. 10%) have switched their internet service providers.
- However, the main reason for switching between services providers different among the telecom service. It is "Quality of Service" in fixed line service, attractive promotion in mobile phone service and the price in internet service.



TELECOM SERVICES

- ❑ **Fixed Line**
- ❑ Mobile Phone Service
- ❑ International Calls
- ❑ Internet Service
- ❑ OTT Behavior

SUMMARY OF FIXED LINE SERVICES

Only 12% of respondents stated they have a fixed line connection, which represents a continuing trend of reduced reliance on fixed line access since 2007.

Although cost of calls continues to be the most important factor for service provider selection, importance ‘ability to bundle with other services’ has increased

While only 12% respondents have switched their fixed line service provider, this is higher than 2014 (10%). Quality of services is still the main reason for switching between the service provider.

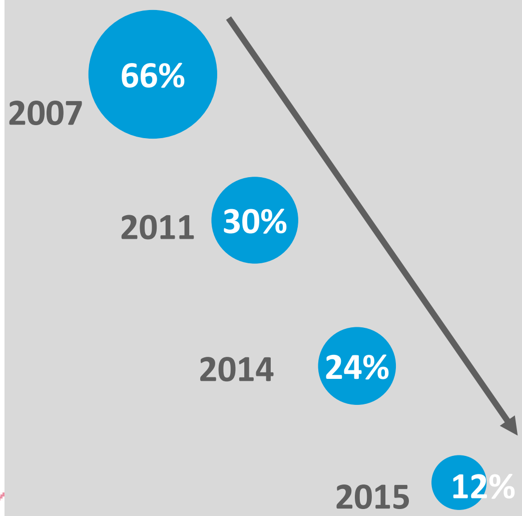
The average volume of calls made from fixed lines has decreased in 2015. Between 2014 and 2015, the average number of fixed-to-fixed calls decreased from 13 calls per week to 11 calls per week, while the average number of fixed-to-mobile calls per week decreased from 22 to 20 over the same period.

Majority of the respondents are very satisfied with the fixed line service provider.

FIXED LINE SERVICE ACCESS (1/2)

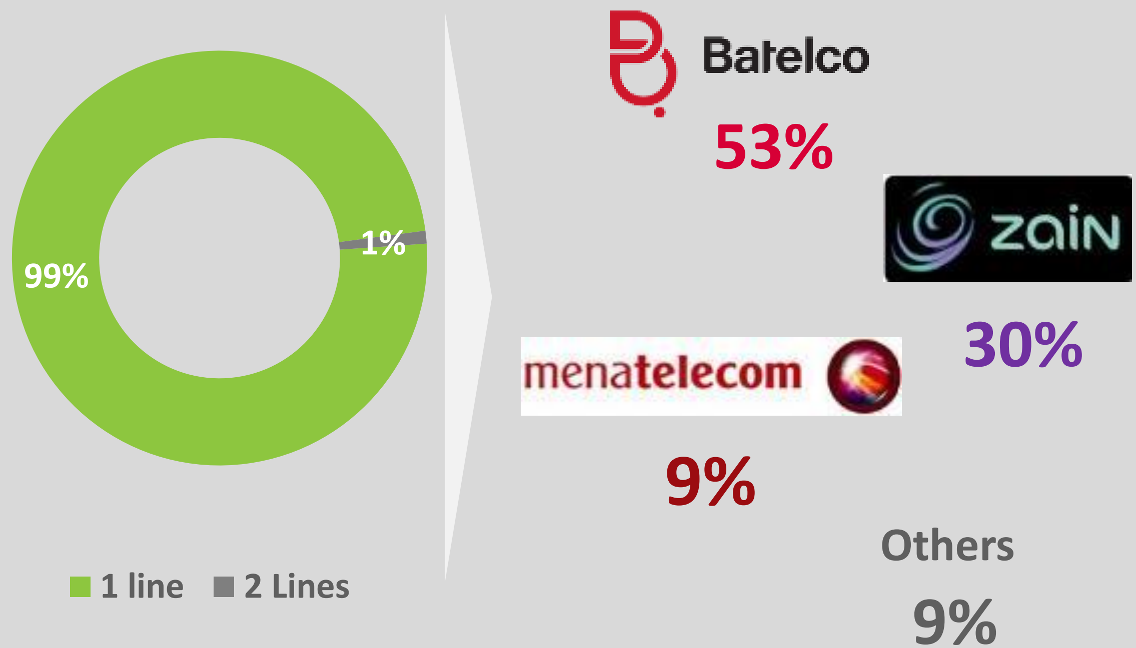
- Only 12% of respondents have a fixed line at home in 2015 compared to 24% in 2014 and 30% in 2011.
- Almost all of those who have a fixed line have single line (99%).
- The Majority of respondents have a Batelco connection (53%) followed by Zain (30%).

Access to Fixed line at Home



Base: All respondents (n=1196)

Fixed Line Connections At Home (2015)

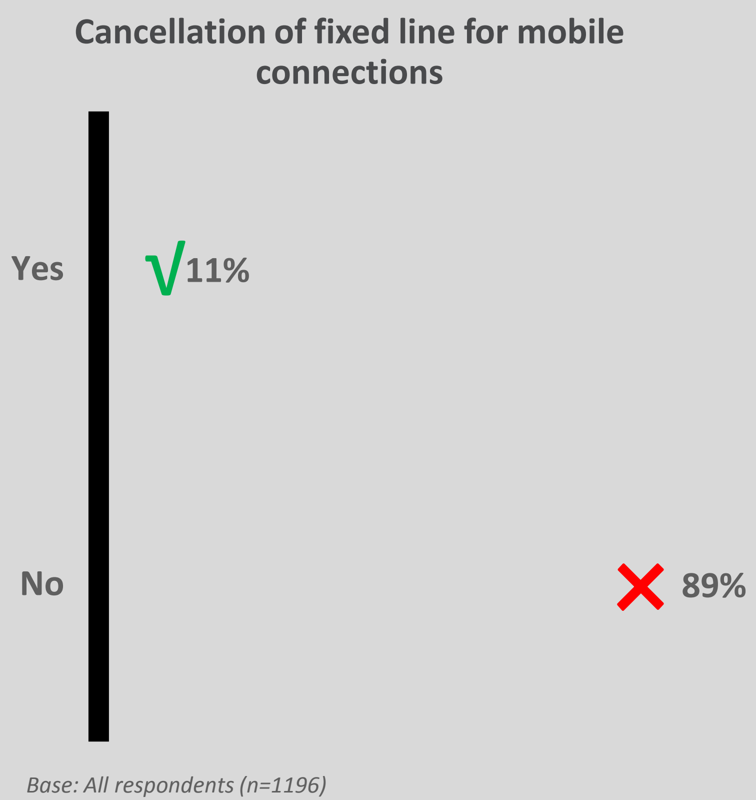


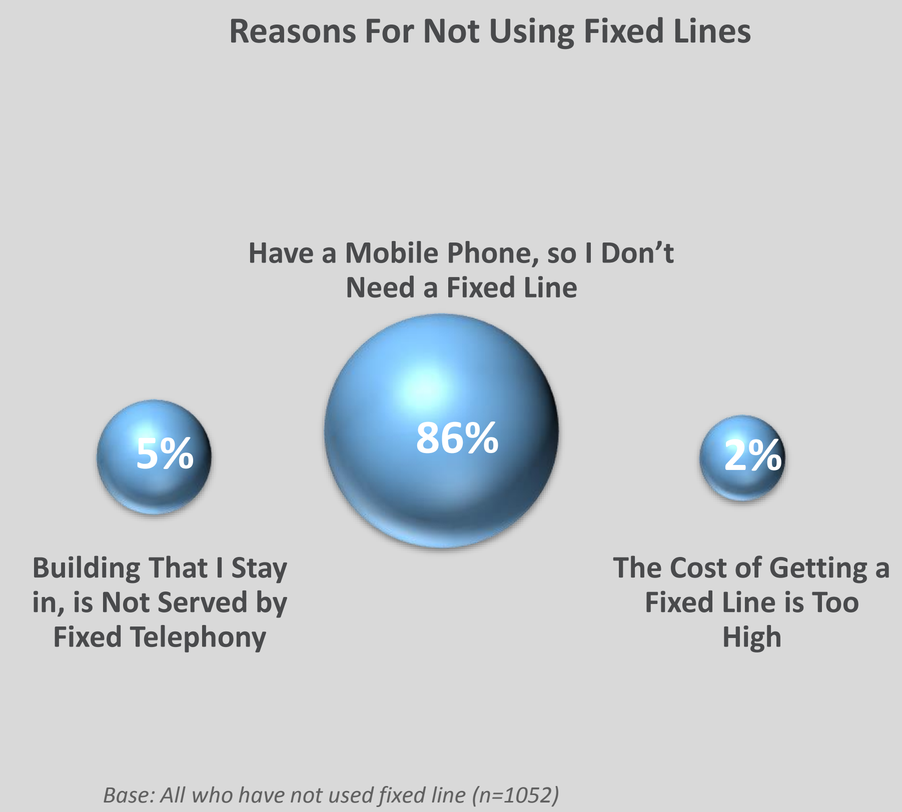
Base: All who have a fixed telephone line at home (n=144)

Q6. Please tell me which of these do you have access to regardless of whether it is used?
Q9. Please specify which operators you subscribe and the number of connections you have under each operator

FIXED LINE SERVICE ACCESS (2/2)

- While only 11% of respondents have previously cancelled their fixed line service at home to rely solely on their mobile phone, the availability of a mobile phone is still the main reason for not having a fixed line at home.

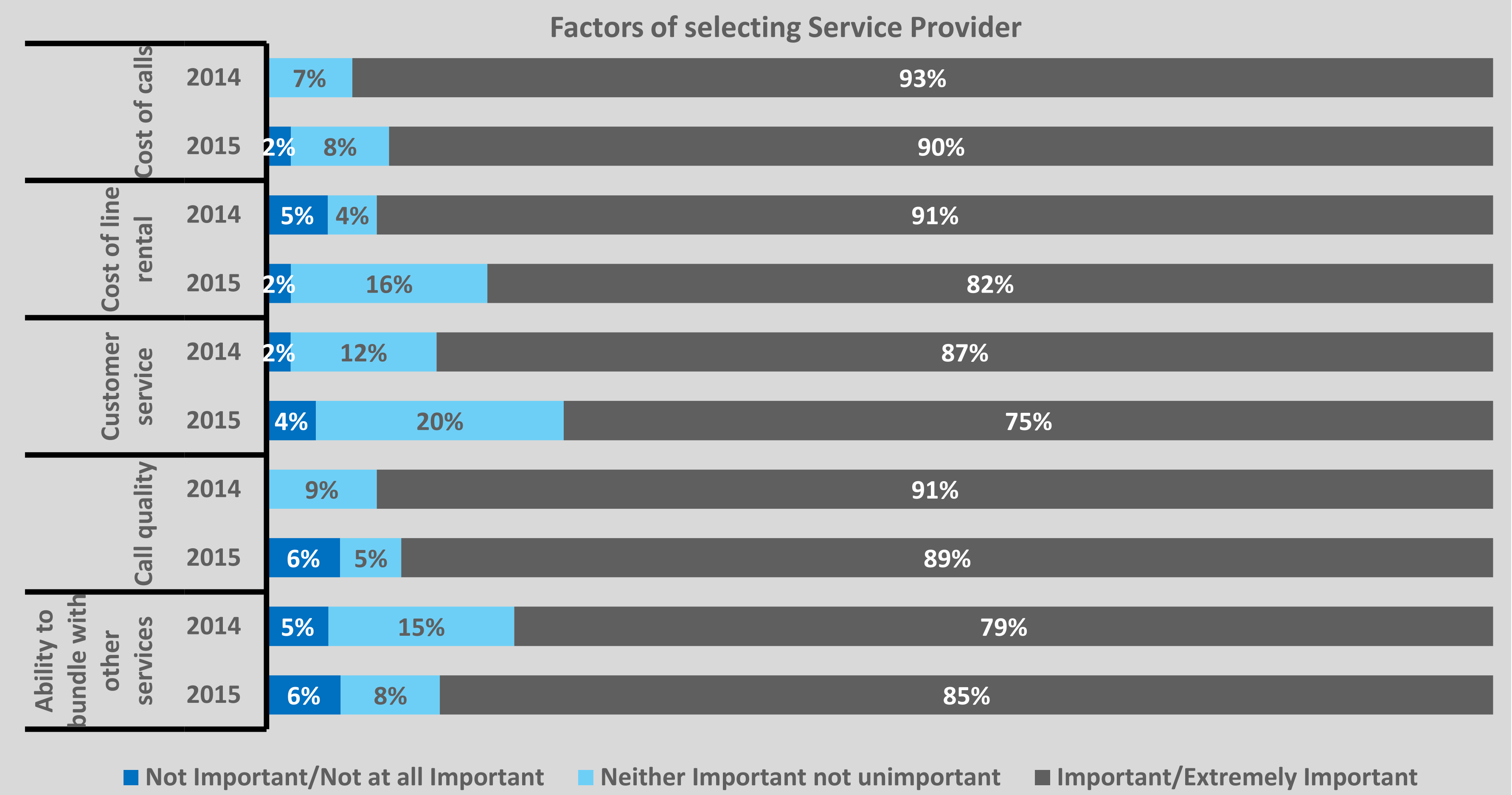




Q7. Have you previously cancelled a fixed line service and instead relied solely on mobile service?
Q8 which of the following most closely describe your reasons for not having a fixed telephone?

IMPORTANT FACTORS FOR SERVICE PROVIDER SELECTION

- Although cost of calls continues to be the most important factor for service provider selection, its importance has slightly deceased in 2015 while "Ability to bundle with other services" become more important in 2015 compared to 2014 results has increased .

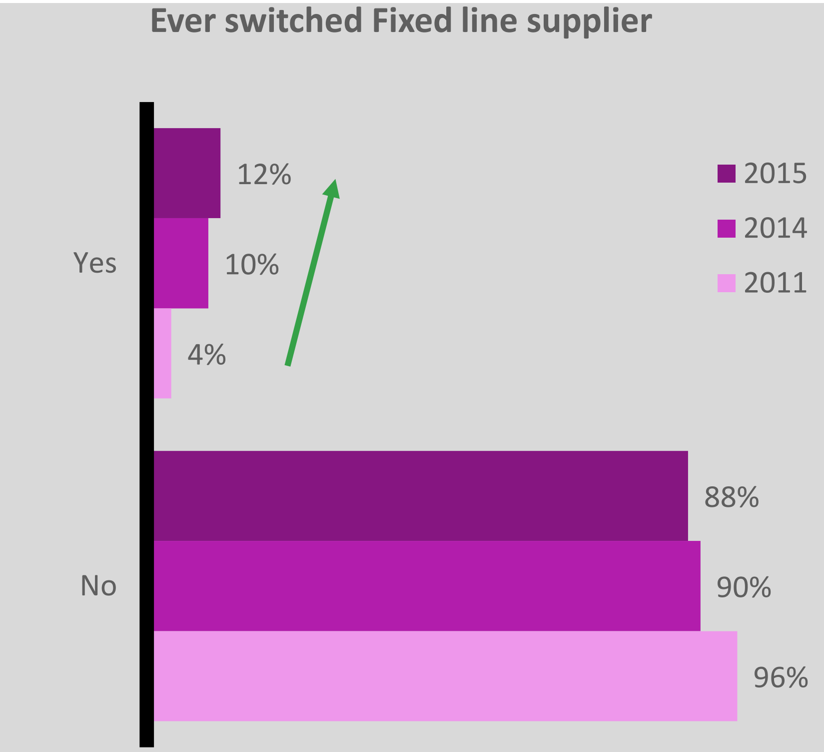


Base: All who have used fixed line (n=144)

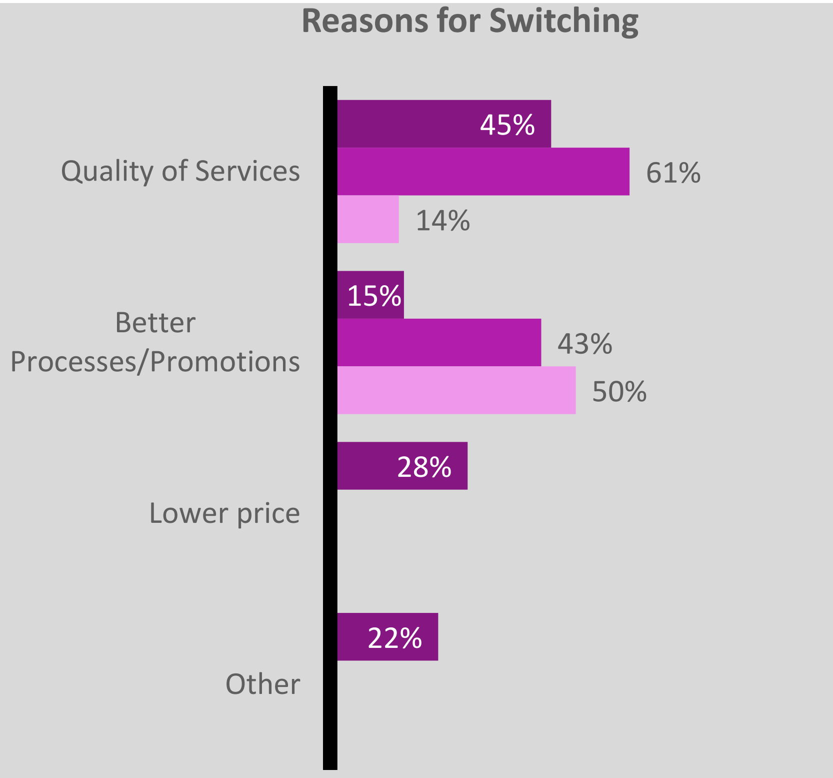
[Q10]. What factors are most important to you when selecting a fixed line provider? Please rate the following factors on a 5 point importance scale where 5 means extremely important and 1 means not at all important

SWITCHING BETWEEN FIXED LINE PROVIDERS

- 12% of respondents who have a fixed line have switched their fixed line supplier compared with 10% in 2014.
- Quality of services is still the most common reason for switching between fixed line service providers in 2015



Base: All Respondents who have a fixed line telephone (n=144)



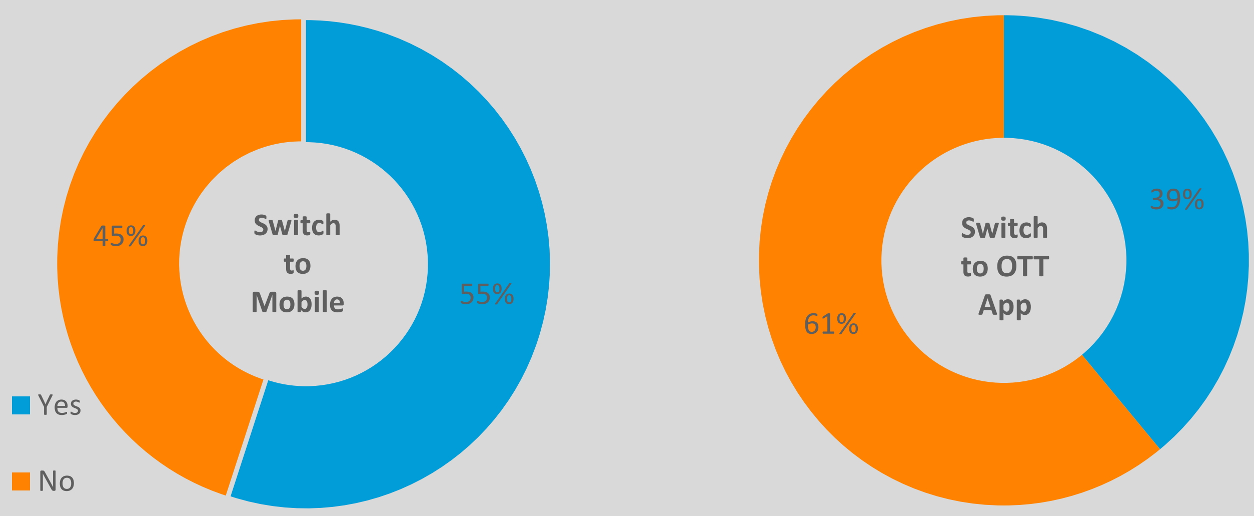
Base: All Respondents who switched their fixed line service provider(n=17)

[Q14] Switched between fixed line service provider
[Q15] Reasons for switching between fixed line service provider

REASONS FOR CONSIDERING SWITCHING FROM FIXED LINE SERVICE TO OTHER SERVICES

- 55% of those who have fixed line service are willing to switch to mobile if the price of fixed calls were to increase by 10% whereas 39% of those who have fixed line service are willing to switch to OTT application if the price of fixed line calls increases.

If the price of fixed national calls were to increase by 10% would you…

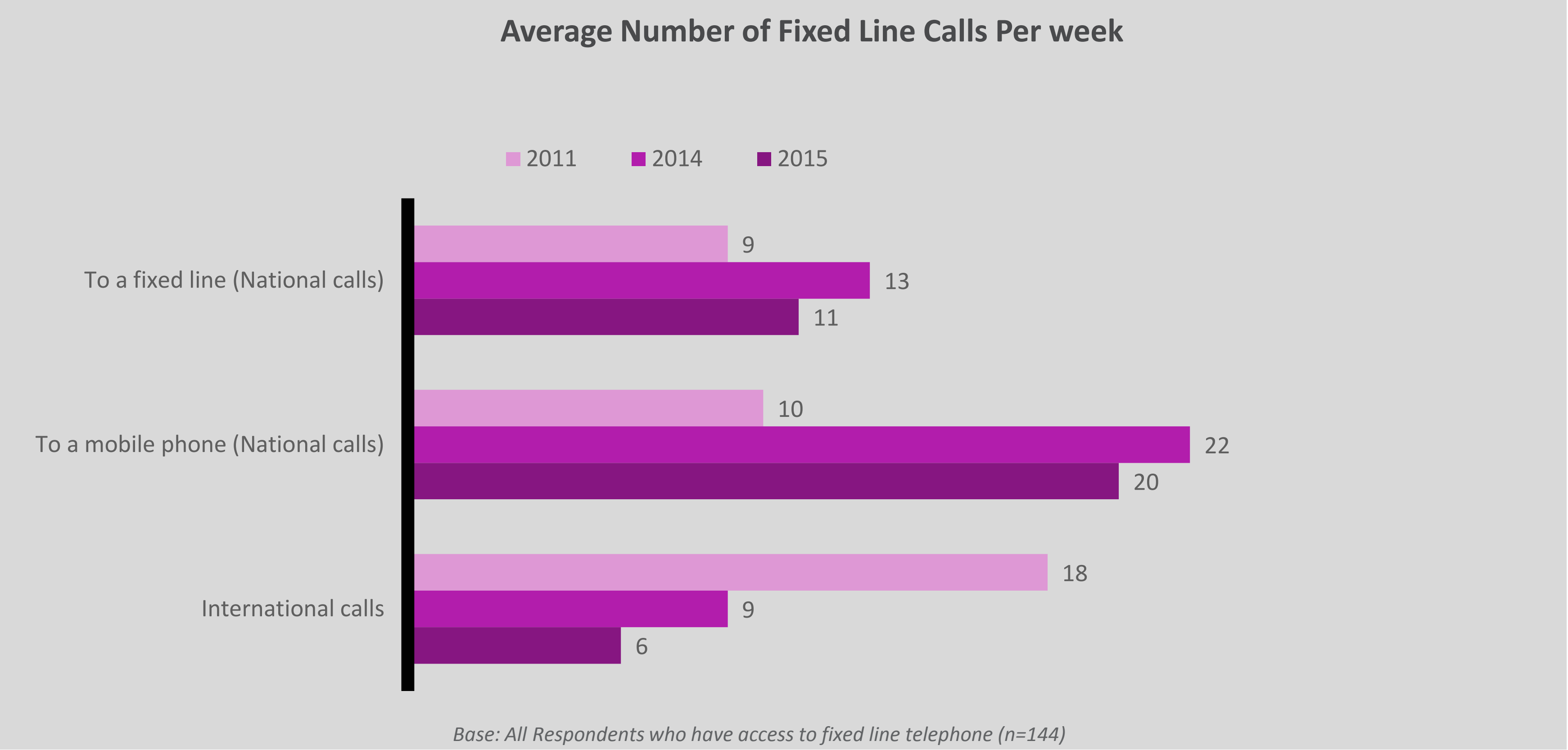


Base: All Respondents who have access to fixed line telephone (n=144)

[Q16a] If the price of fixed national calls were to increase by 10% percentage, would you switch to making that call using mobile phone
[Q16b] If the price of fixed national calls were to increase by 10% percentage, would you switch to making that call using an OTT (application such as skype

USAGE OF FIXED LINE SERVICES

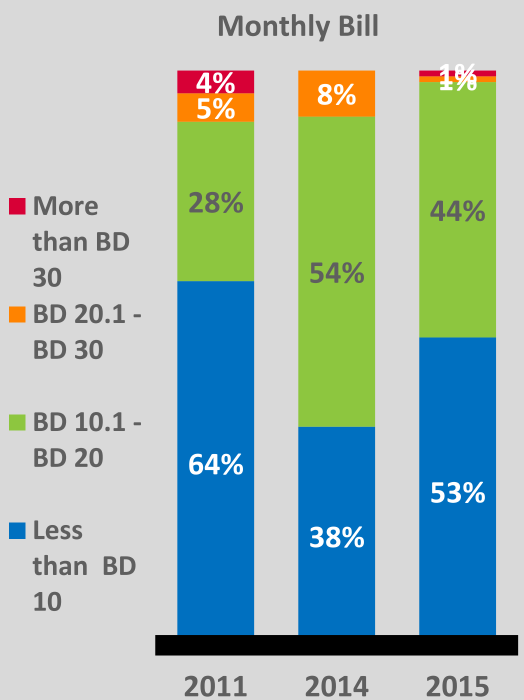
- Average number of calls made per week from fixed line has decreased in 2015.



[Q13] On average, how many calls do you make each week from your fixed line telephone?

FIXED LINE EXPENDITURE

- 53% of those who have fixed line pay under BD 10 for their fixed line services in 2015 compared to 38% in 2014
- The average monthly spend for fixed line services for both Bahrain nationals and expatriates has decreased in 2015.
- The proportion of monthly bill between national/international calls in fixed line monthly bill has changed in 2015 with an increase in the proportion of national calls in the total bill.



Base: All Respondents who have access to fixed line telephone (n=144)

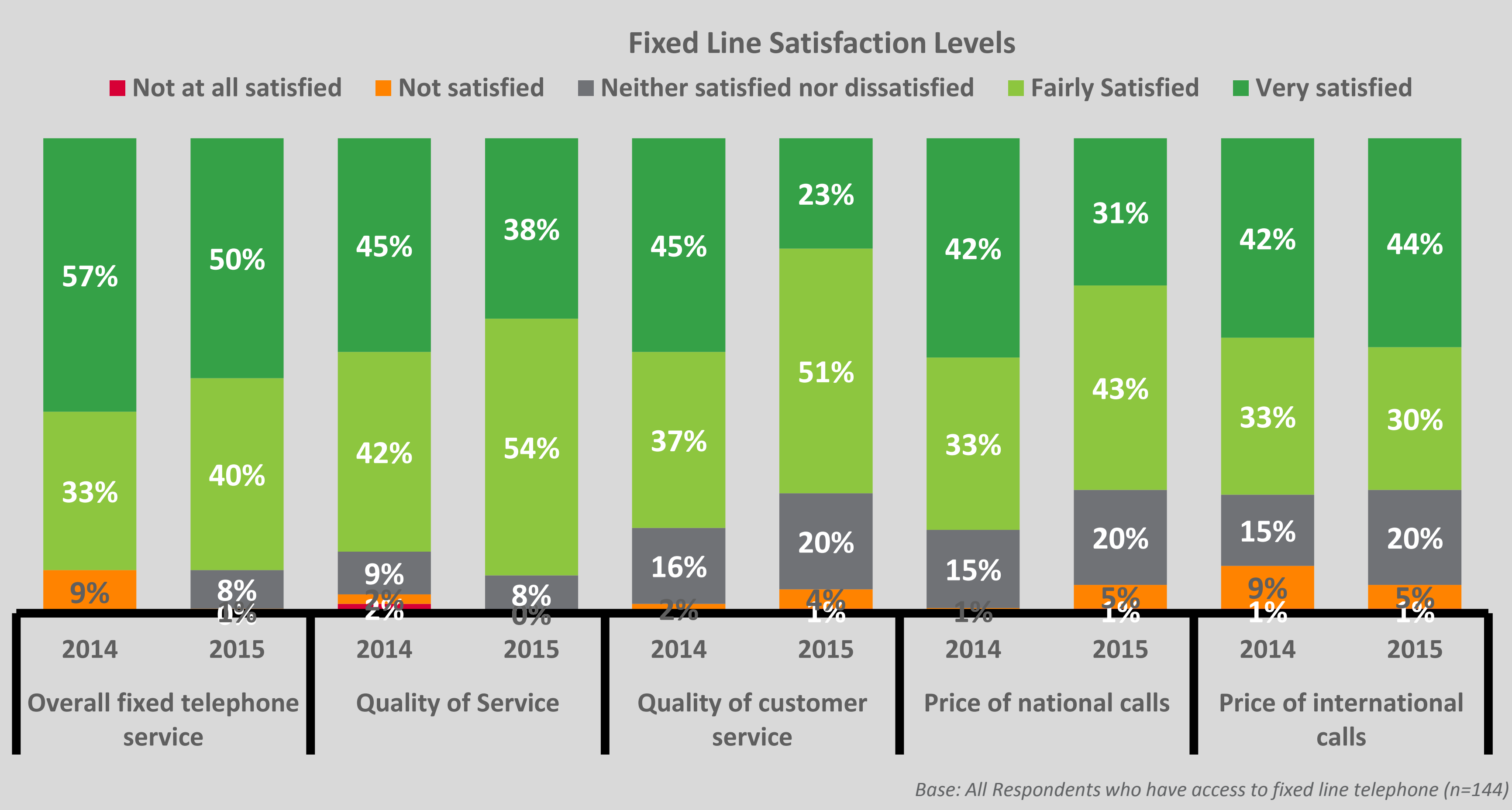
Average Monthly bill (BD)	National			Expatriate		
	2011	2014	2015	2011	2014	2015
Base	*189*	180	101	*123*	*113*	*43*
Average Monthly Bill (BD)	9	11.3	10.7	12.6	13.44	8.7

Value %	Total			National			Expatriate		
	2011	2014	2015	2011	2014	2015	2011	2014	2015
Base	*312*	*292*	*144*	*189*	*180*	*101*	*123*	*113*	*43*
National calls	87	79	81	91	91	88	81	78	81
International calls	13	21	19	9	9	12	19	22	19

[Q18] Average monthly bill on fixed line services

SATISFACTION LEVELS – FIXED LINE

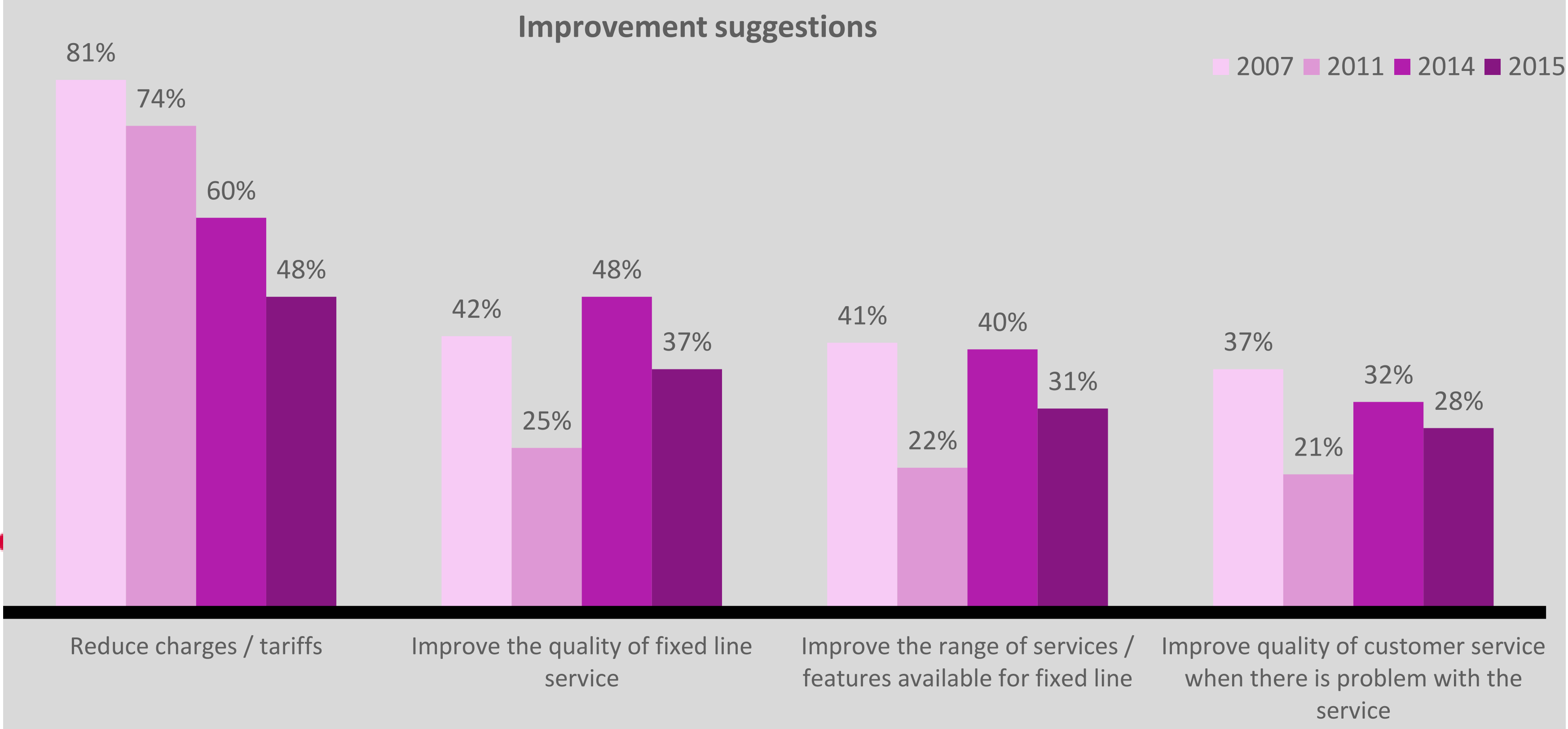
- Satisfaction with overall fixed line services has remained stable in 2015. However, satisfaction with 'Quality of customer service' has dropped from 82% in 2014 to 74% in 2015.



[Q19] Satisfaction towards fixed line service

IMPROVEMENT SUGGESTIONS FOR FIXED LINE

- Although "Reduce charges/tariff" is still the main suggestion for improvements (48% in 2015), the proportion has dropped compared to previous years.



Base: All Respondents who have access to fixed line telephone (n=144)

[Q20] Suggestions to improve fixed line service

TELECOM SERVICES

- Fixed Line
- **Mobile Phone Service**
- International Calls
- Internet Service
- OTT Behavior

SUMMARY OF MOBILE PHONE SERVICES

All respondents have access to mobile phones. 41% of respondents have 2 or more SIM cards and handsets. The primary reasons for having more than one active SIM card was to use various promotions offered by different service providers.

A significant increase has been seen in the use of VAS in 2015 with browsing internet, mobile information services, downloading games, ringtones, wallpapers, mobile banking, and mobile VoIP being the major activities driving the growth

12% have switched their mobile service providers compared to 7% by 2007. Attractive promotion is the main reason for customers to have switched their service providers

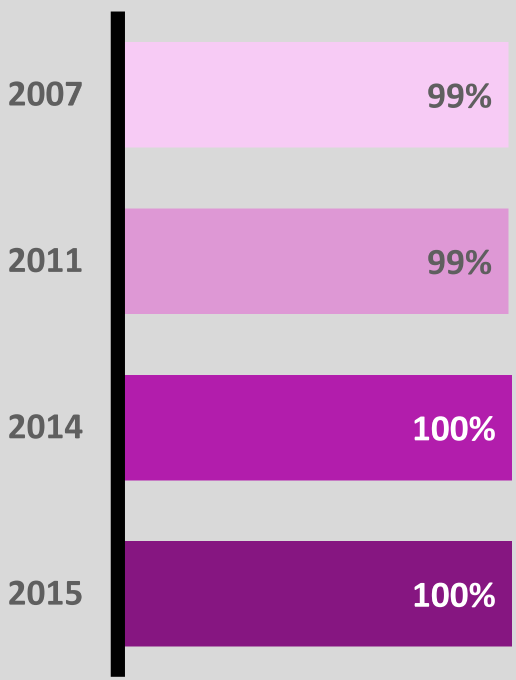
Number of SMS sent in a week as reported by respondents has dramatically reduced from 20 SMS in 2011 to only 2 SMS in 2015.

The majority of respondents are satisfied with the overall mobile service. It has improved considerably since 2014 in most areas (i.e. price of national calls; quality of customer service; voice quality etc.)

MOBILE PHONE ACCESS

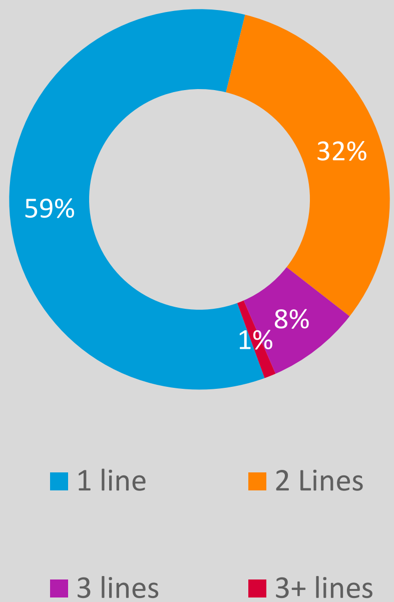
- Mobile phone access remains high with 100% of respondents having access to a mobile phone.
- 41% of respondents have 2 or more active SIM cards.
- "To take advantage of different promotions offered by different operators" still is the main reason for using multiple SIM cards.

Access to mobile phone



Base: All respondents (1196)

No. of active SIM cards



Base: (All respondent who has mobile phone (n=1195)

Reasons for having more than one active SIM cards

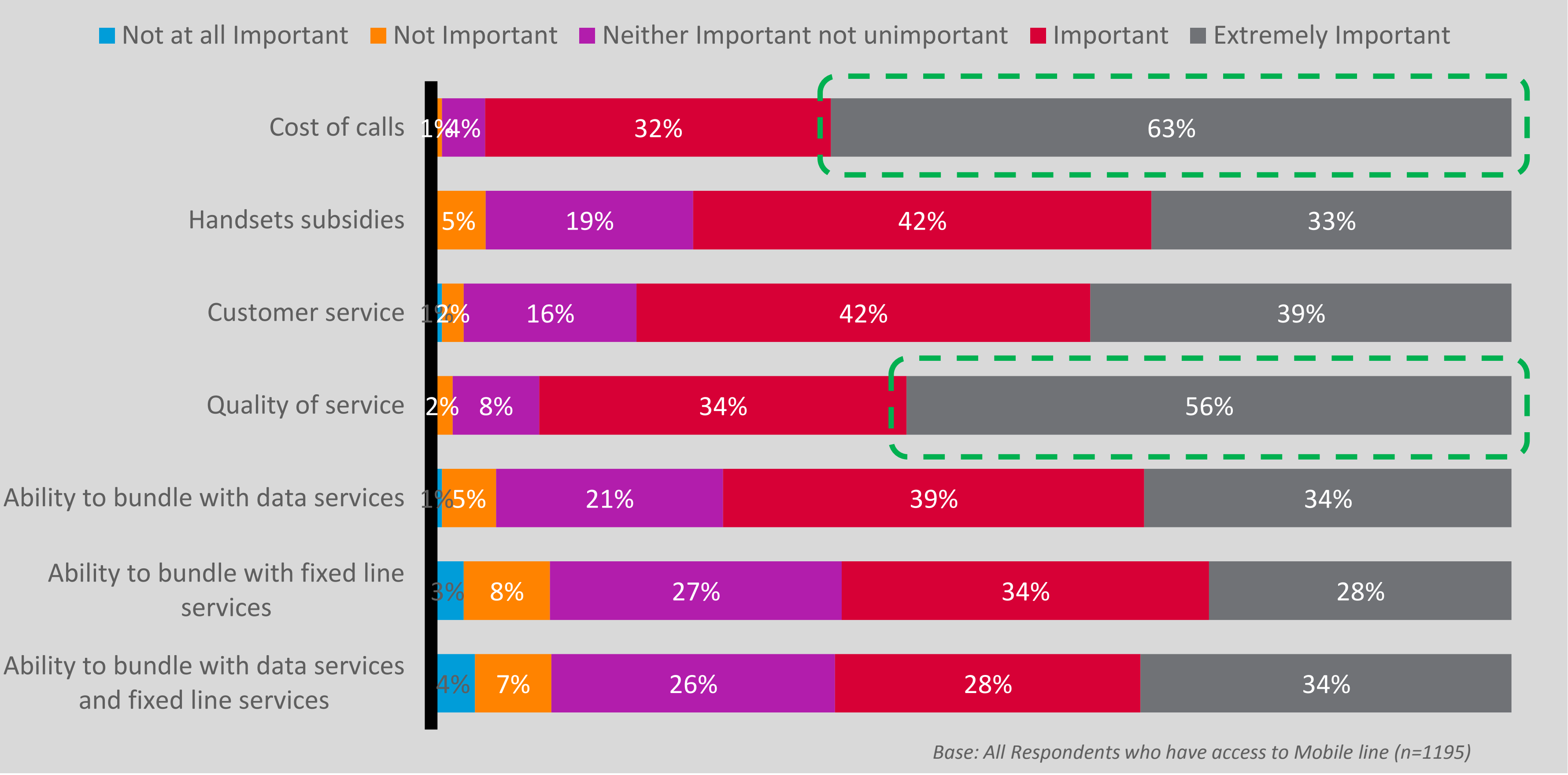
Reasons for having more than one SIM card	2011	2014	2015
To take advantage of different promotions offered by different operators	54%	68%	60%
To have separate SIMs for business or personal use	40%	46%	42%
To use when traveling abroad	6%	6%	6%

Base: All Respondents who have more than one SIM card (n=480)

[Q21] Does this household have a mobile telephone?
[Q24] How many active SIM cards?
[Q25] You mentioned that you use more than one active SIM card for your needs; could you please tell us the reasons why do you use more than one SIM Cards?

KEY FACTORS FOR CHOOSING MOBILE SERVICE PROVIDER

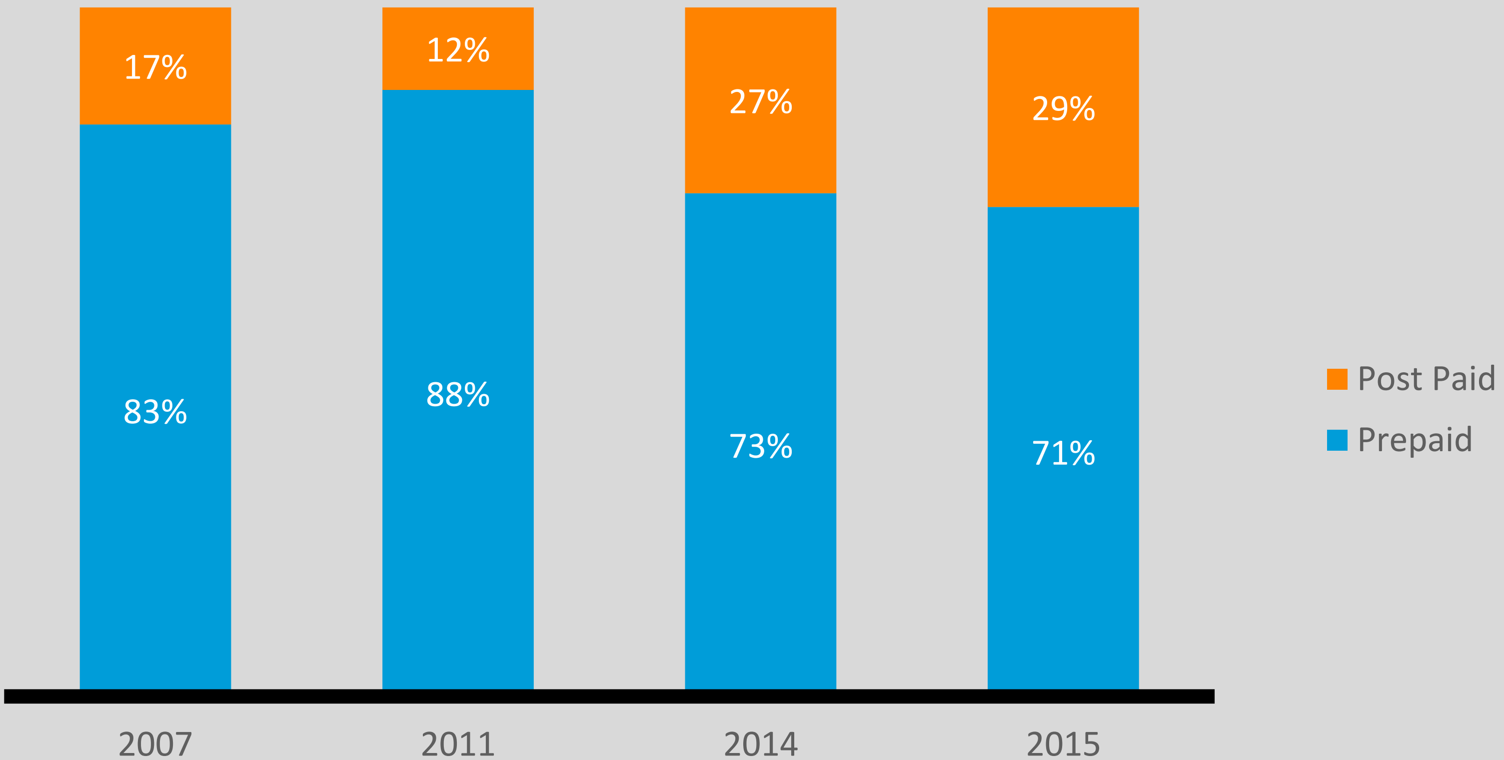
- Cost of calls and Quality of service are the most important factors for choosing mobile service provider in 2015



[Q29] Factors important while selecting a mobile line provider

CONNECTION TYPE

- In 2015 still the majority of respondents has pre-paid connection (71%).
- Proportion of using post paid connection continues to increase from 27% in 2014 to 29% in 2015.



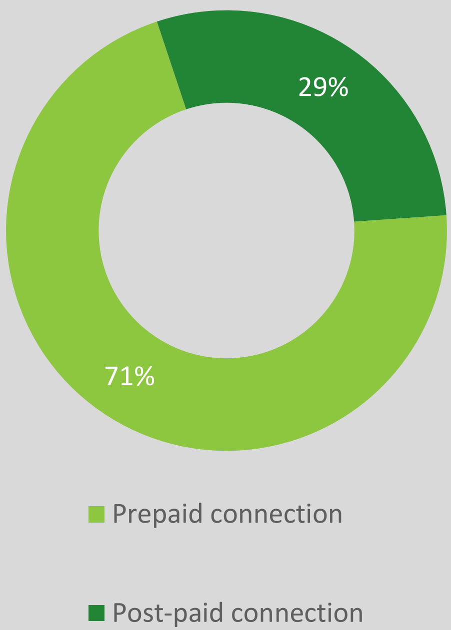
Base: All Respondents who have access to Mobile phone (n=1195)

[Q26] Operator Name most often used SIM card

TYPE OF MOBILE PHONE SUBSCRIPTION

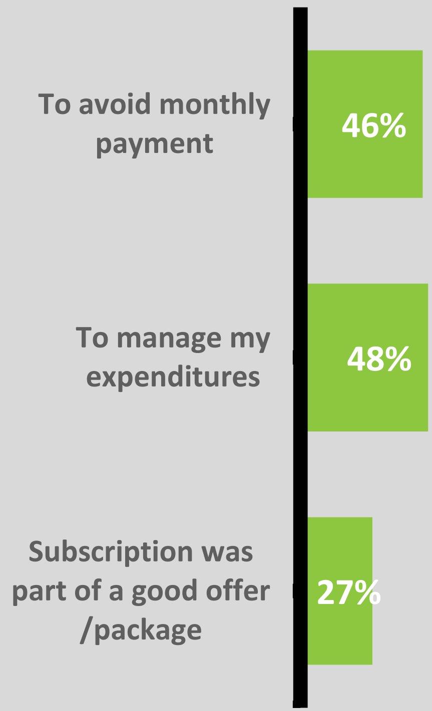
- The main reasons for using prepaid connection was “to manage respondents expenditures” whereas “subscription being a part of good offer/package” was the main reason for using post paid connection

Connection Type (2015)



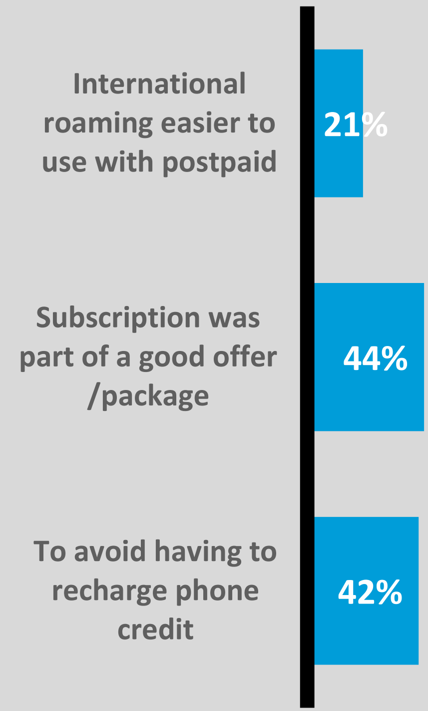
Base: All Respondents who have access to Mobile phone(n=1195)

Reason for using prepaid connection only



Base: (All respondent who use mobile phones (n=848)

Reason for using postpaid connection only



Base: (All respondent who use mobile phones (n=377)

[Q26] Operator Name most often used SIM card
[Q27] Reason for using prepaid connection only
[Q28] Reason for using postpaid connection only

MOBILE CALLING PATTERNS

- The average number of national calls from mobile has decreased from 32 calls per week in 2014 to 25 calls per week in 2015.
- 32% of all weekly calls made from mobile are international calls in 2015 compared with 20% in 2014

Type of call	Average no. of calls per week		
	2011	2014	2015
National Calls	29	32	25
International calls	-	9	14

Type of call (weekly calls)	% Value (Average)		
	2011	2014	2015
National Calls	75%	80%	68%
International calls	25%	20%	32%

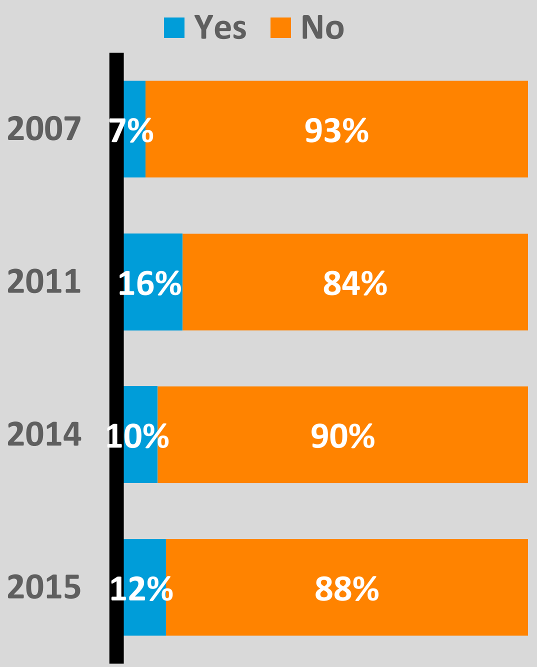
Base: All Respondents who have access to Mobile line (n=1195)

[Q31] On average, how many calls do make each week from you mobile phone
[Q39] What % of mobile phone spend are national and international calls

SWITCHING MOBILE SERVICE PROVIDERS

- Only 12% of respondents switched their mobile service provider in 2015, which is slightly more than the 2014 survey results (only 10% in 2014).
- "Attractive promotion" and "good price" remain the main reasons for switching between mobile service providers given by the 2015 survey respondents.

Ever switched



Base: All Respondents who have access to Mobile line (n=1195)

Reasons for switching

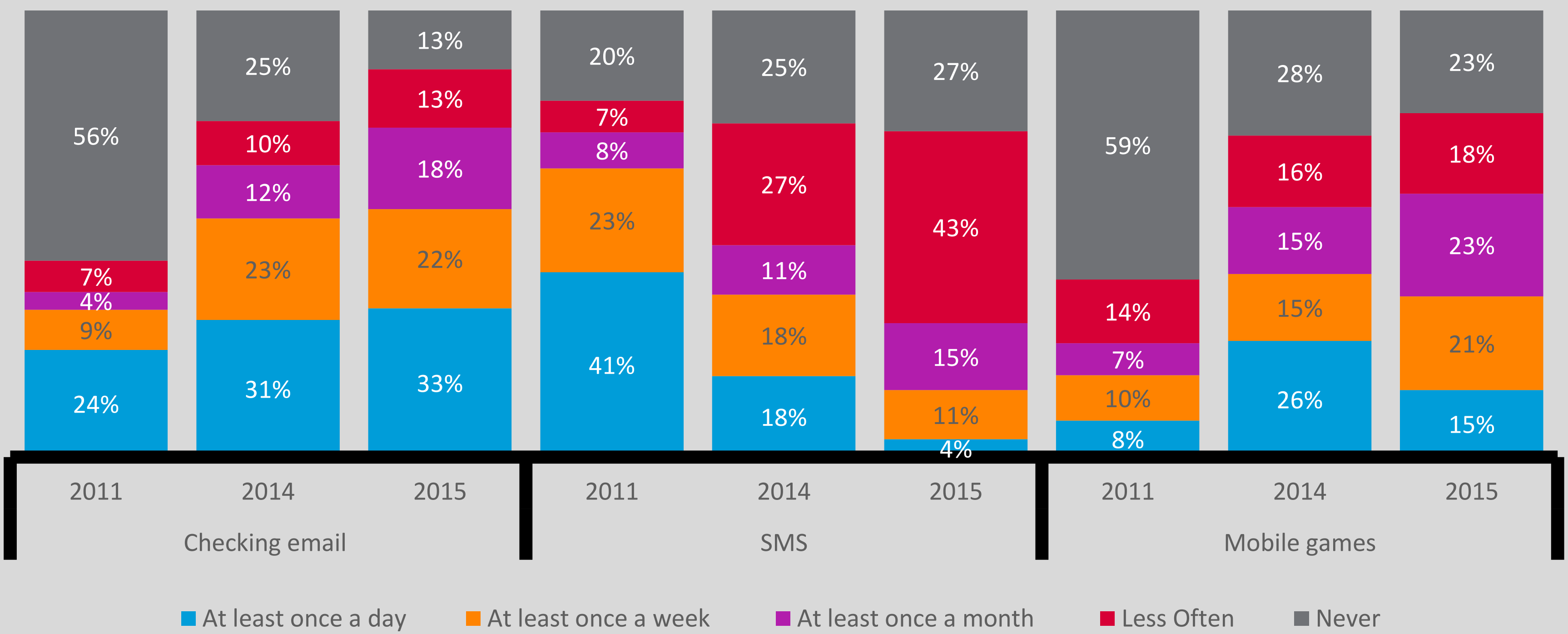
Reason	2007	2011	2014	2015
Base: All who switched providers before	***77***	***171***	***128***	***148***
Attractive promotion	19%	62%	56%	62%
Good price	23%	45%	46%	29%
The other operator had better mobile coverage			20%	15%
Good service/Not happy with service of previous provider	14%	11%	13%	10%

[Q34] Switched between mobile phone service provider
[Q36] Reasons for switching between mobile phone service provider

FREQUENCY OF USING VAS (1/2)

- Respondents reported that the frequency of usage on daily basis of value added services on mobile has grown substantially. For instance, 59% of respondents reported that they never used mobile games in 2011; this percentage has decreased to 28% in 2014 and to 23% in 2015.
- Respondents also reported that the frequency of using SMS continues to fall as only 4% used SMS service 'at least once a day' compared to 18% in 2014 and 41% in 2011

Frequency of Using VAS

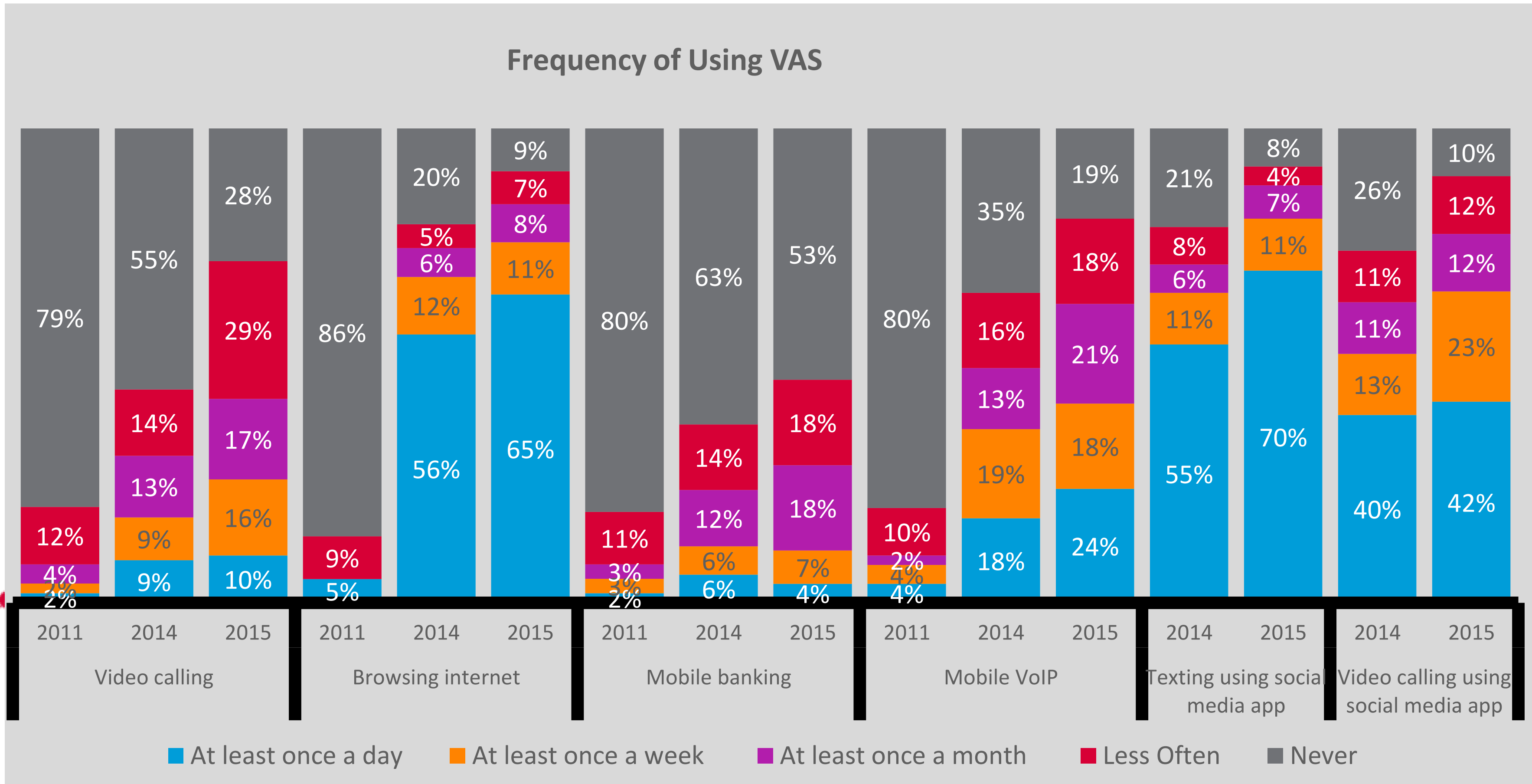


Base: All Respondents who have access to Mobile line (n=1195)

[Q32] Please describe the frequency in which you use the following mobile services

FREQUENCY OF USING VAS (2/2)

- There has been a significant increase in frequency of browsing the internet and using mobile VOIP in 2015 compared with 2011



Base: All Respondents who have access to Mobile line (n=1195)

[Q32] Please describe the frequency in which you use the following mobile services

WEEKLY SMS SENT

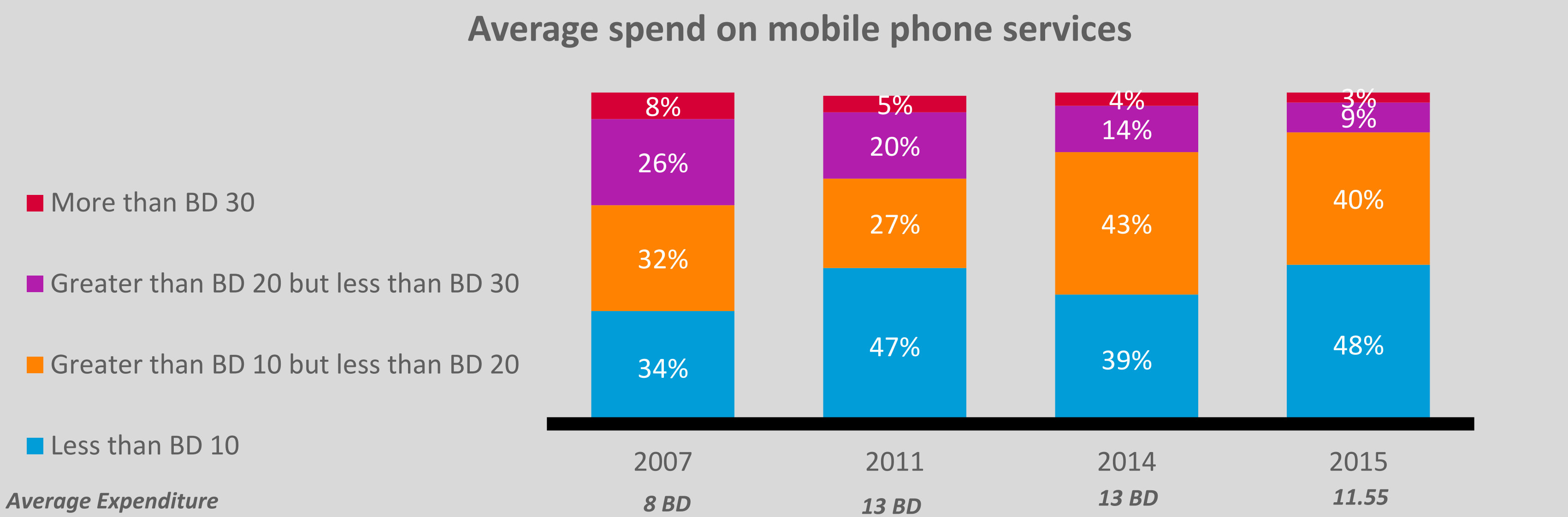
- Number of SMS sent in a week as reported by respondents has dramatically reduced from 20 SMS in 2011 to only 2 SMS in 2015.

No of SMS Sent in a week	2007	2011	2014	2015
Base (who have mobile connection)	813	1043	1202	*1195*
1-5	29%	30%	22%	24%
6-10	31%	21%	10%	2%
11-15	9%	3%	1%	1%
16-20	11%	7%	1%	1%
More than 20	20%	11%	1%	-
Average No of SMS in a week	15	20	4	2

[Q33] Could you please tell me in a typical week how many SMS do you send

MOBILE PHONE EXPENDITURE

- 48% of respondents reported that they are spending less than BD 10 on an average for monthly mobile services in 2015.



Base: All Respondents who have access to Mobile line (n=1195)

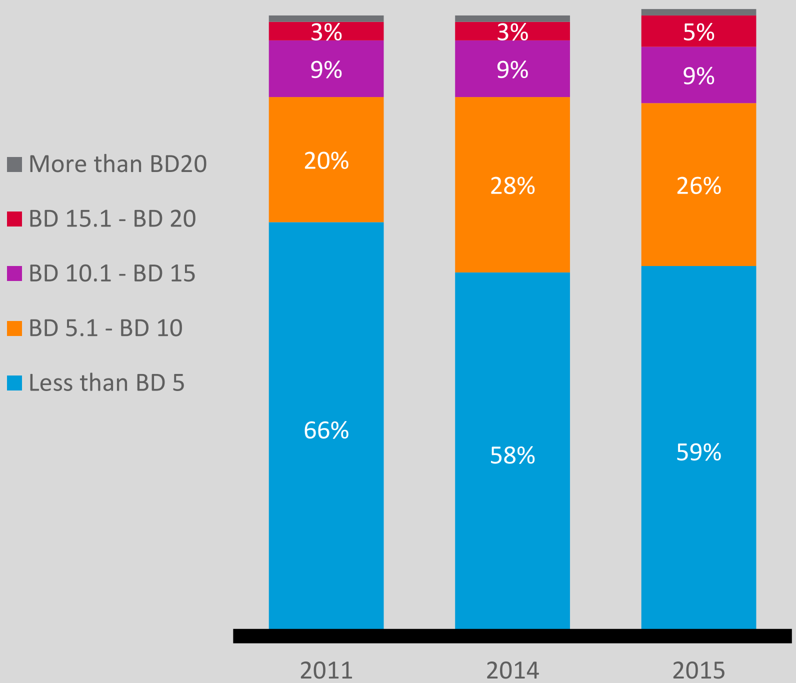
	Nationals				Expatriates			
	2007	2011	2014	2015	2007	2011	2014	2015
Base	725	482	519	511	314	561	690	684
Average Monthly Bill (BD)	8	13	13	13	8	14	13	11

Q38 On average, how much do you spend on mobile phone service (including international calls) each month?

SPENDING ON VAS & SHORT TERM PROMOTIONS

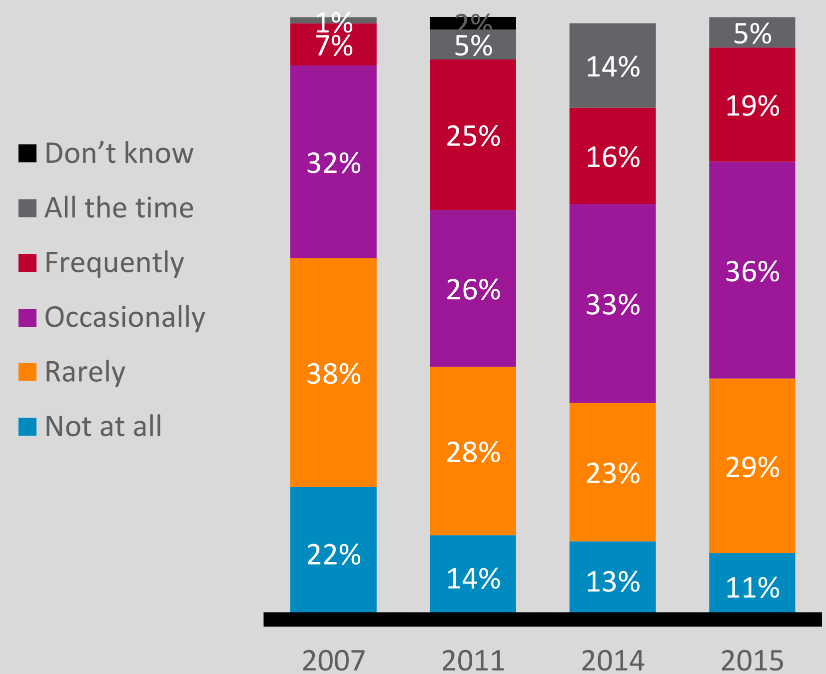
- 26% of respondents spend between BD5 to BD 10 per month on VAS in 2015, stable compared with 2014.
- 36% of respondents occasionally modify their usage to take advantage of their operators' promotions in 2015.

Spending on Additional VAS



Base: All Respondents who have access to Mobile line (n=1195)

Modification of Usage To Take Advantage of Operator's Promotions

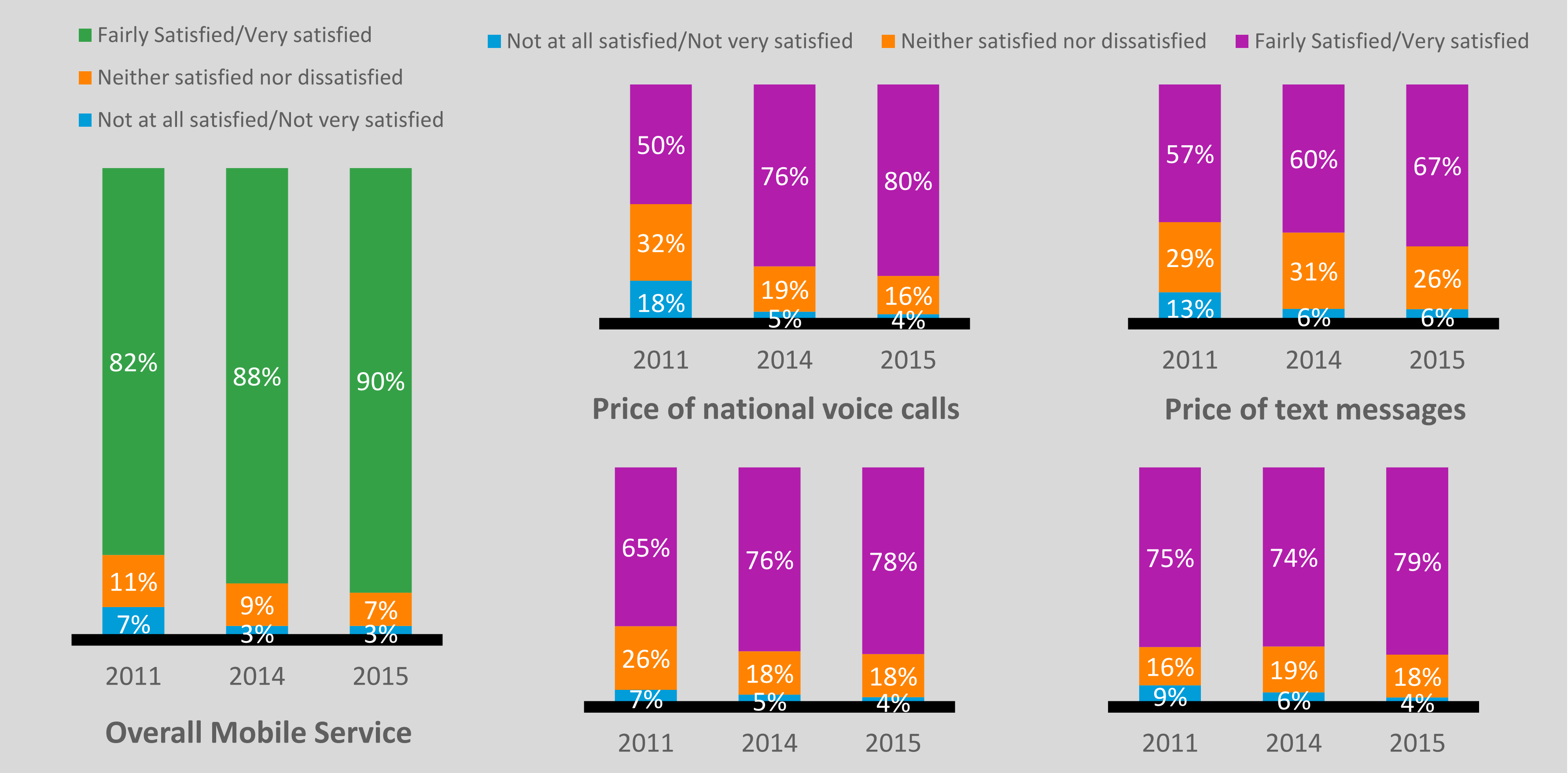


Base: All Respondents who have access to Mobile line (n=1195)

[Q40] Average spend on additional value added services per month
[Q41] Frequency of modifying usage to take advantage of promotions offers

SATISFACTION WITH MOBILE SERVICES

- Overall satisfaction with mobile services has improved compared with 2014.
- The price of text messages has the lowest satisfaction (67%) in 2015

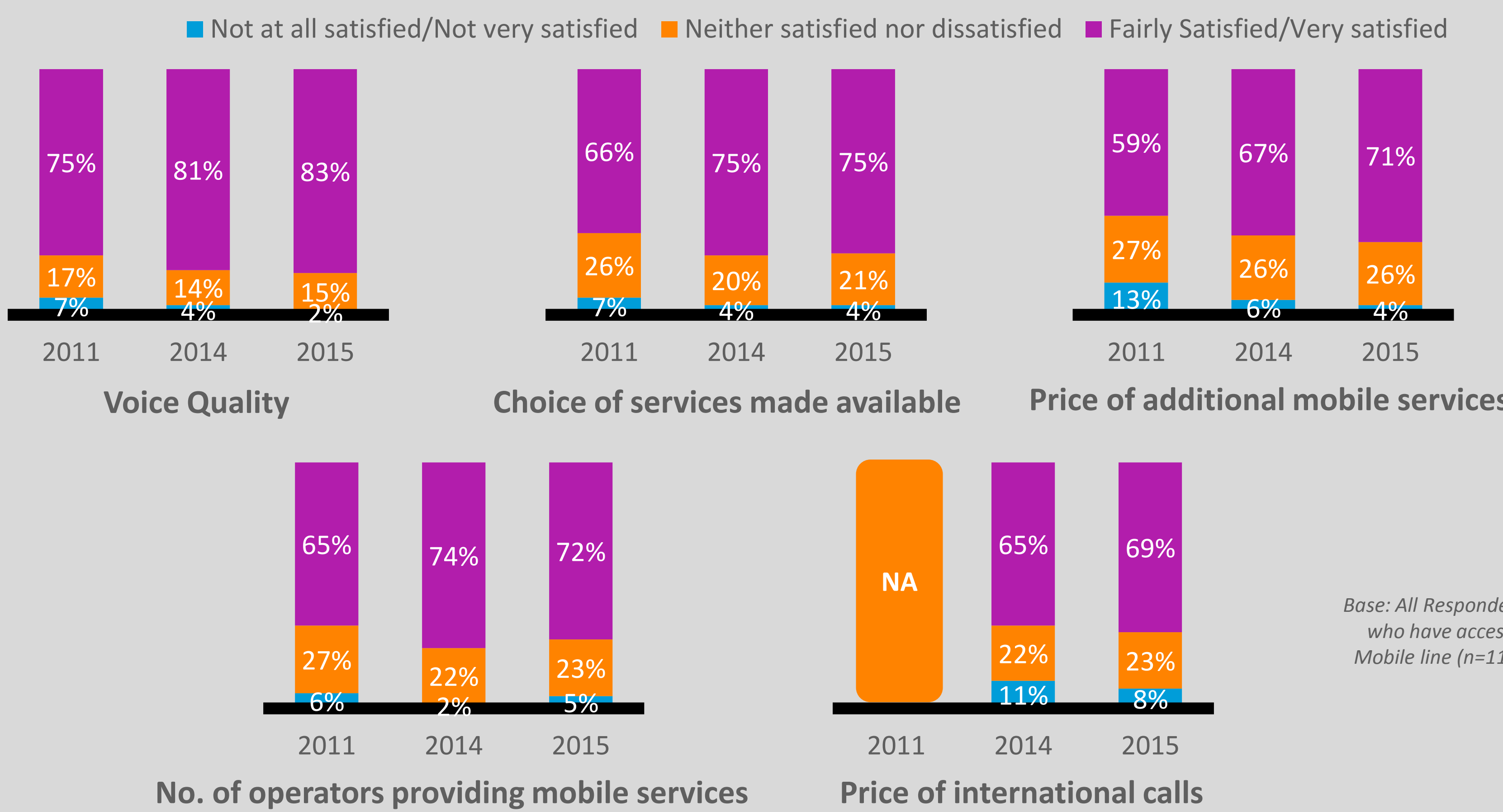


Base: All Respondents who have access to Mobile line (n=1195)

[Q42] Satisfaction towards mobile phone service

SATISFACTION WITH MOBILE SERVICES

- Respondents who indicated that they were fairly or very satisfied towards price of additional services has increased from 67% in 2014 to 71% in 2015
- Marginal drop in the satisfaction with the number of mobile service providers from 74% in 2014 to 72% in 2015.



Base: All Respondents who have access to Mobile line (n=1195)

[Q42] Satisfaction towards mobile phone service

SUGGESTIONS FOR IMPROVEMENT

- 65% of respondents to the 2015 survey stated that 'Reduce Charges' is a key area of improvement followed by 'Improve the quality of mobile services'

65%
Reduce charges

52%
Improve the quality of mobile services

35%
Improve the range of services available from mobile phone

28%
Improve the quality of customer service when there is problem with the service

[Q43] Suggestions to improve mobile phone service

Base: All Respondents who have access to Mobile line (n=1195)

TELECOM SERVICES

- ❑ Fixed Line
- ❑ Mobile Phone Service
- ❑ **International Calls**
- ❑ Internet Service
- ❑ OTT Behavior

SUMMARY OF INTERNATIONAL CALLS

60% of international calls are made using mobile phone, 34% of international calls are made by smart phone application and 6% by other services.

India is the top destination called from different mediums

60% of the respondents making international calls stated that if the price of fixed international calls were to increase by 10%, they would switch to mobile. 61% of the respondent making international calls stated that if the price of fixed international calls were to increase by 10%, they would switch to making that call using an OTT application such as skype

PROPORTION OF CALLS BY MEDIUM

- The majority of the respondents in 2015 use mobile phones to make weekly international calls followed by Smartphone application

34% of the calls made by respondent were using **Smartphone Apps**

60% of the calls made by respondent were using **mobile phones**

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

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

Base: Those who make international calls (n=785)

[Q47] What proportion of your international calls are made from

DESTINATIONS CALLED FROM DIFFERENT MEDIUMS

- Among the 2015 respondents, India is the most popular destination for international calling across mediums

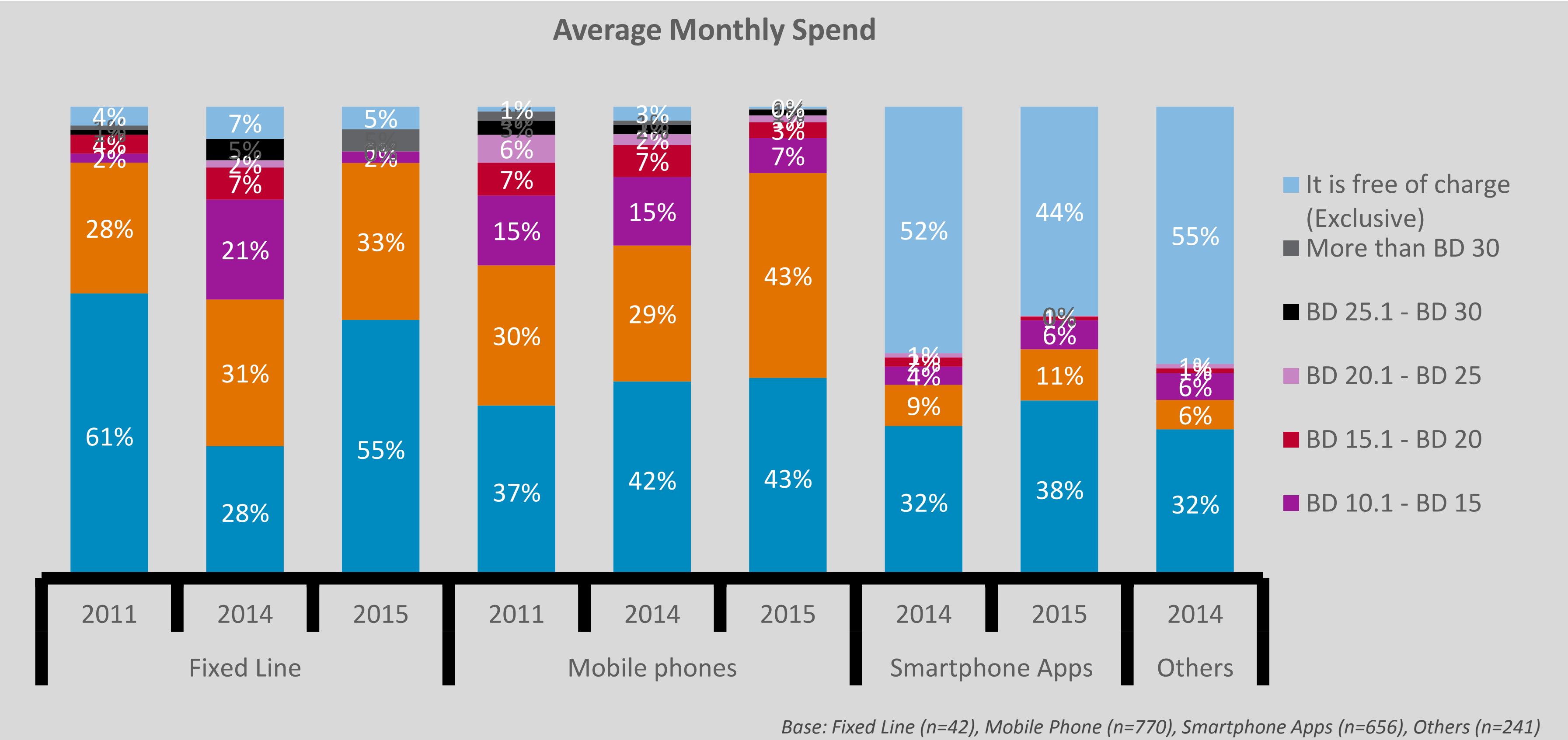
Countries called by medium

	Mobile			Smart phone Applications (i.e. Tango, Line, Viber and other)		Fixed Line			Public phone, internet, personal computer	
	2011	2014	2015	2014	2015	2011	2014	2015	2014	2015
Base: *All Respondents who make international calls regularly from…*	*628*	717	*770*	445	*656*	*166*	120	*42*	203	*241*
India	44%	52%	64%	52%	64%	39%	31%	64%	37%	76%
Philippines	8%	13%	9%	16%	9%	7%	3%	9%	12%	2%
Bangladesh	5%	13%	7%	4%	5%	1%	5%	7%	27%	9%
Saudi Arabia	24%	9%	11%	13%	18%	43%	17%	11%	7%	6%
UAE	12%	6%	10%	14%	27%	16%	24%	10%	7%	13%
Qatar	5%	4%	4%	11%	10%	8%	23%	4%	3%	4%
Oman	4%	5%	4%	9%	5%	6%	15%	4%	9%	6%
Pakistan	14%	5%	6%	4%	6%	7%	0%	6%	8%	3%

[[Q48/49/50/51]Countries called by medium

AVERAGE MONTHLY SPEND

- Majority of 2015 respondents indicated that they spend up to BD 10 per month on international calls from their fixed lines (66%).



[Q57A/B/C/D] Approximate average spend on international calls by medium of call

SWITCHING MODE OF INTERNATIONAL CALLS

60% of 2015 respondents making international calls stated that if the price of fixed international calls were to increase by 10%, they would **switch to mobile.**

Whereas…

APP

61% of the respondent making international calls stated that if the price of fixed international calls were to increase by 10%, they would switch to an **OTT application such as skype**

Base: All Respondents who make international calls (n=785)

[Q53] If the price of fixed international calls were to increase by 10%, would you switch to mobile.
[Q54] If the price of fixed international calls were to increase by 10%, would you switch to making that call using an OTT application such as skype

TELECOM SERVICES

- Fixed Line
- Mobile Phone Service
- International Calls
- **Internet Service**
- OTT Behavior

SUMMARY OF INTERNET SERVICES

The proportion of respondents who have access to the internet at home has increased from 67% in 2011, to 80% in 2014 and 89% in 2015

The proportion of respondents who used the internet within the last 3 months has also increased since 2014, from 87% in 2014 to 93% 2015. The majority of respondents who used the internet in the last three months use it on a daily basis.

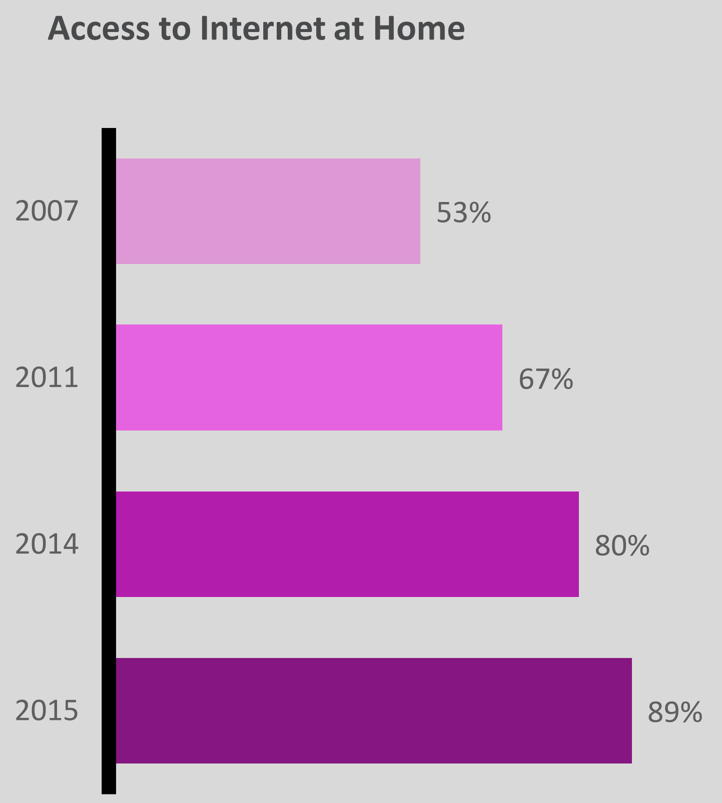
Social networking and sending and receiving emails are still the most common internet activities in 2015.

92% of respondents were satisfied with their overall internet service, while the most common suggested improvement relates to reducing prices

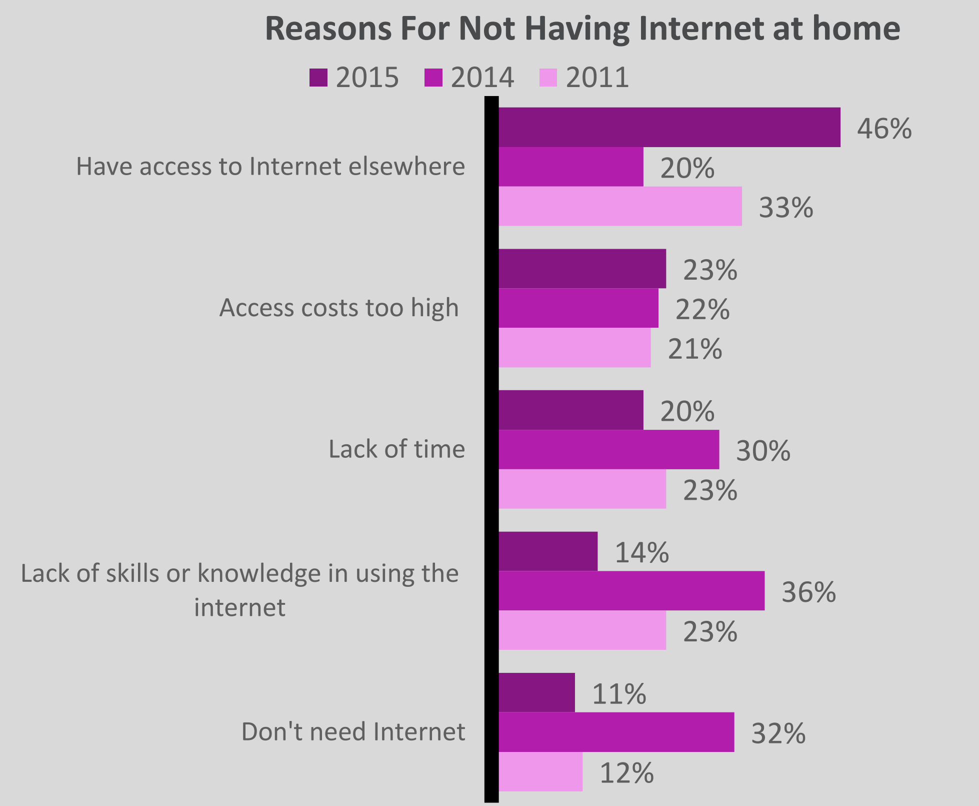
A significant proportion of respondents would consider switching to mobile broadband if their current fixed broadband price increased by 10%.

ACCESS TO INTERNET

- Access to internet at home has grown gradually from 67% in 2011, to 80% in 2014 and to 89% in 2015.
- Having access to internet elsewhere is the highest reason for not having internet at home (46%)



Base: All respondents (n=1196)



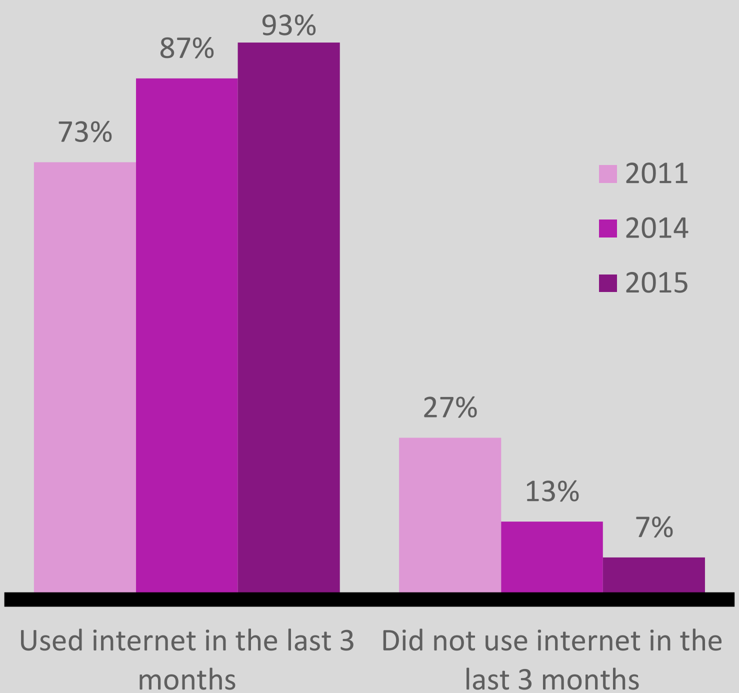
Base: All Respondents not having access to internet at home (n=135)

[Q55] Do you have internet at home?
[Q56] What are the reasons for not having access to the internet at home?

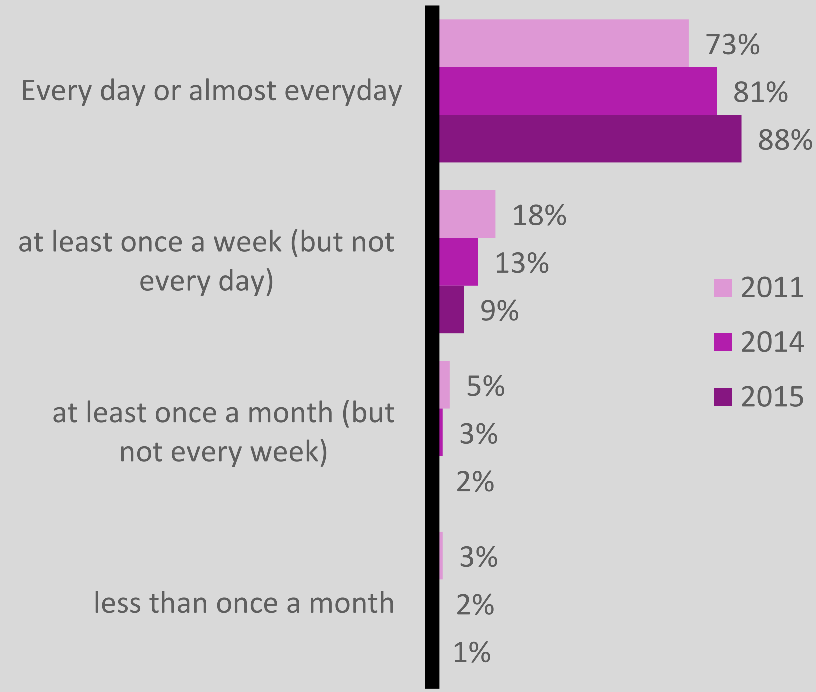
INTERNET USAGE

- Internet usage by respondents within the last 3 months has increased, from 87% in 2014 to 93% in 2015.
- Frequency of usage has also increased, with the proportion of people using internet daily has increased from 81% in 2014 to 88% in 2015

Internet Usage in Last 3 Months



Base: All Respondents who used internet (n=1196)

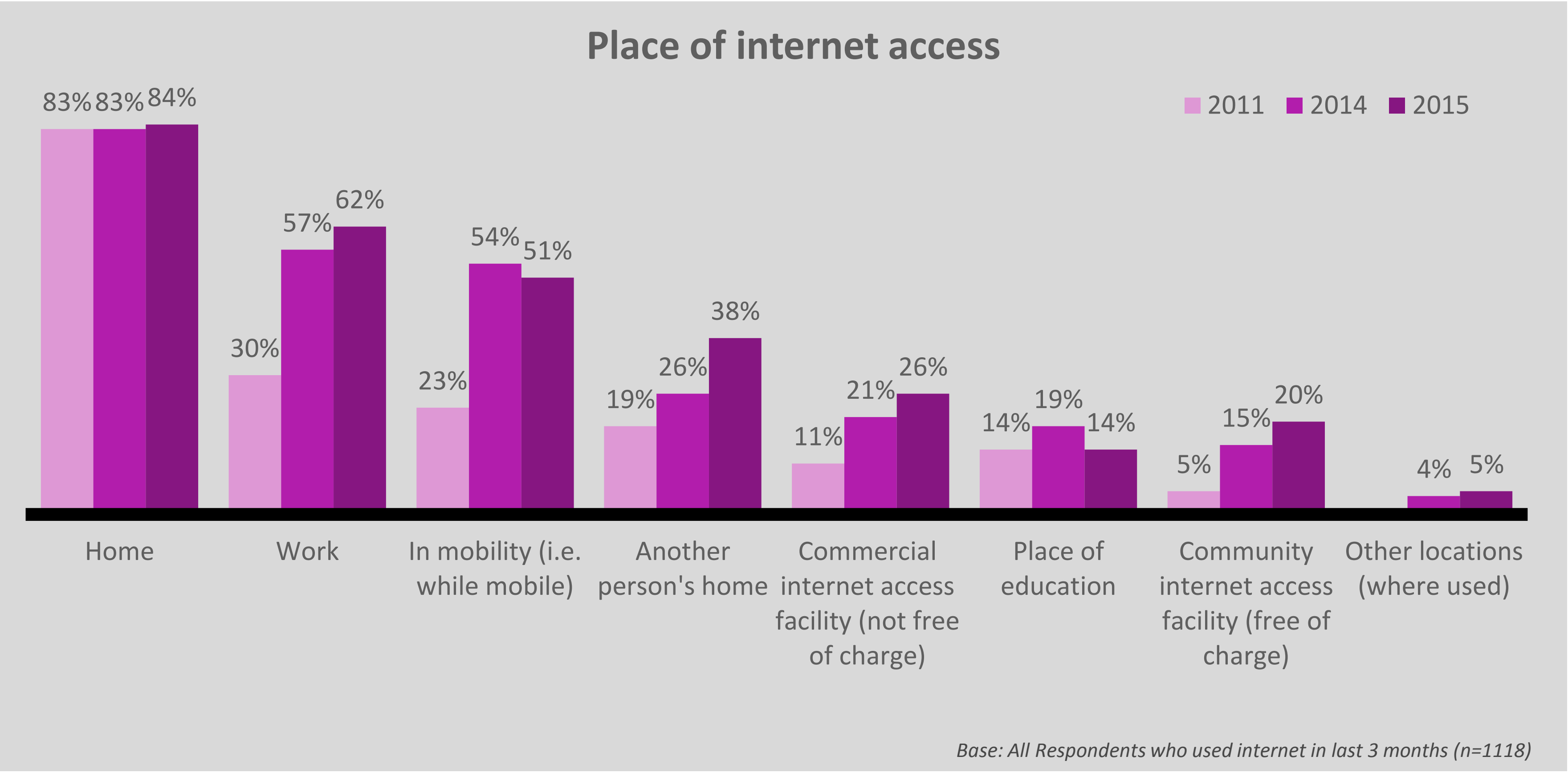


Base: All Respondents who used internet (n=1118)

[Q62] Have you used internet from any location in the last 3 months?
[Q64] Frequency of using internet in last 3 months

INTERNET USAGE PLACES

- Home still the most popular place for using the internet with 84% of respondents used the internet at home in the last three months.
- Proportion of respondents using internet at work has grown from 57% in 2014 to 62% in 2015



[Q63] Venue of usage of internet in last 3 months

INTERNET RELATED ACTIVITIES (1/2)

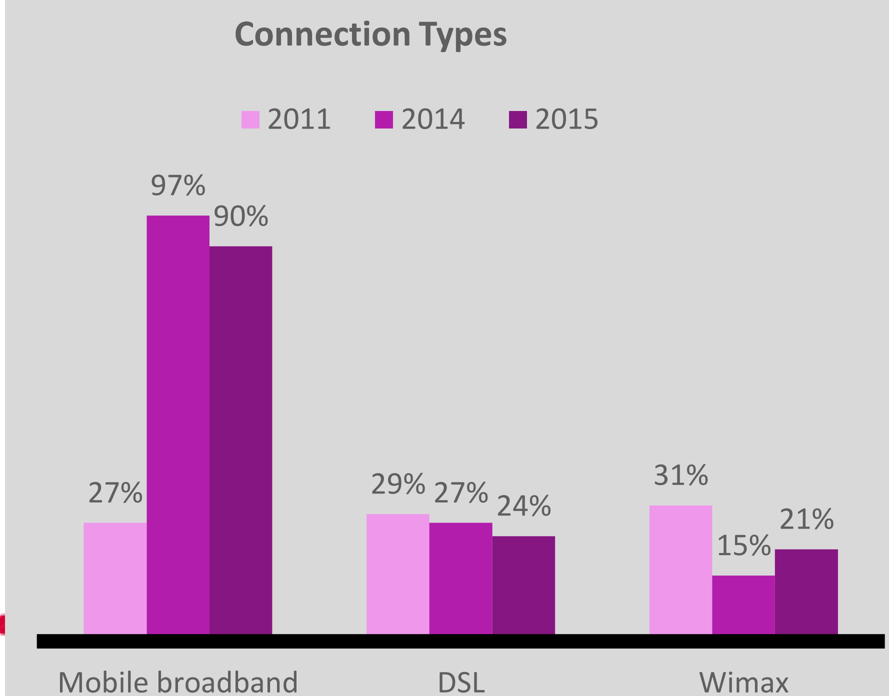
- Overall, proportion of respondents engaged with internet related activities has grown since 2014, especially VOIP which increased from 14% in 2011 to 44% in 2015, purchasing or ordering goods/services which increased from 12% in 2011 to 35% in 2015.
- Social networking and sending and receiving emails are still the most common internet activities in 2015.

Base: All Respondents who used internet in last 3 months (n=1118)

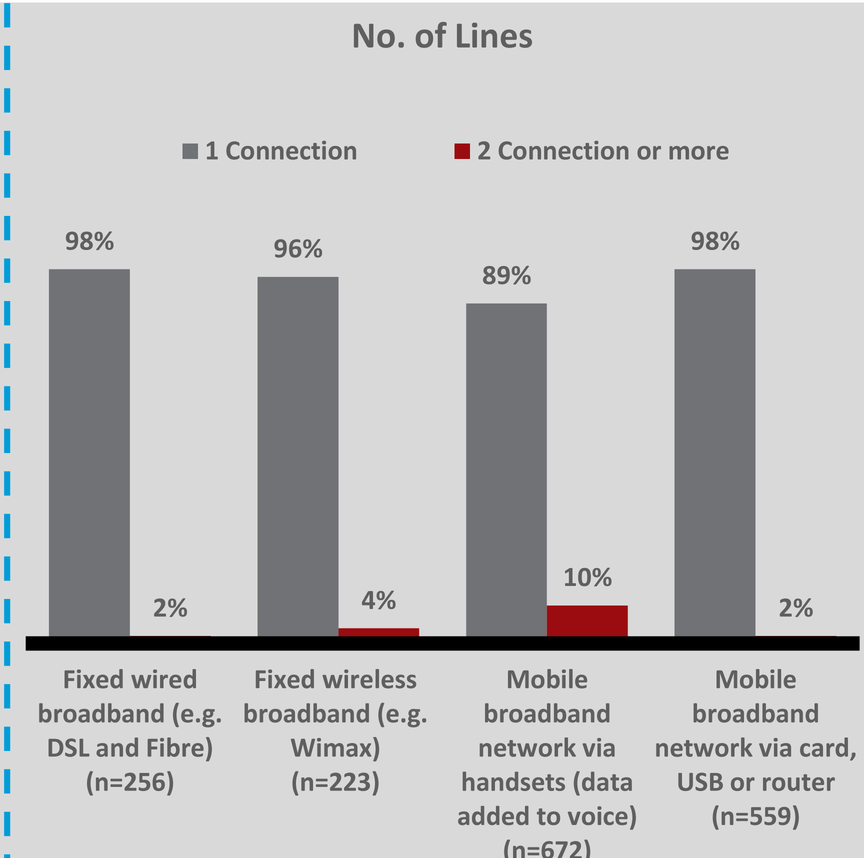
[Q65] For which of the following activities did you use the internet for private purposes (from any location) in the last three months?

INTERNET CONNECTION TYPES

- Mobile broadband is by far the most common connection type used by the respondents to access the internet in 2015. 85% of respondents with internet access at home they have mobile broadband in 2015. 10% of respondents who use mobile broadband via handset has 2 or more connections.



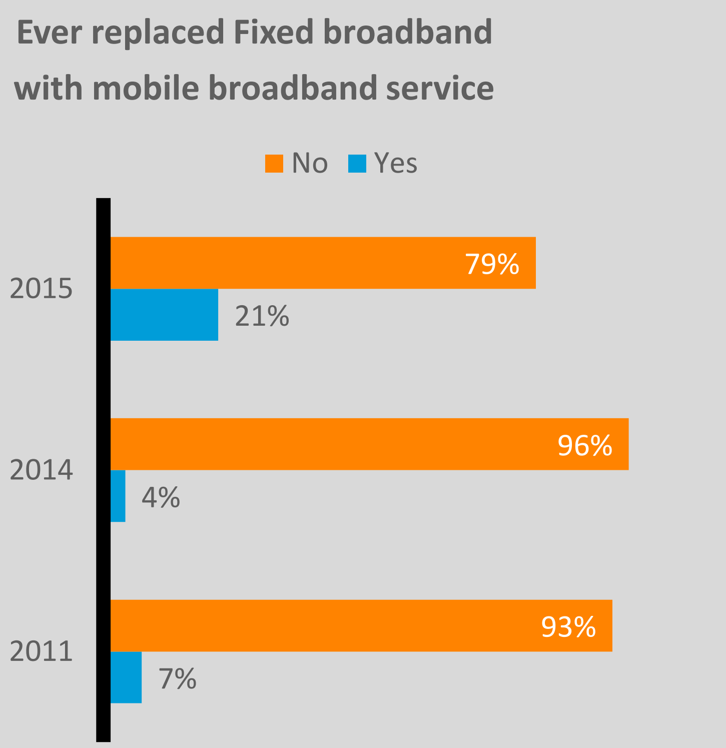
Base: All having the Internet connection at household (n=1061)



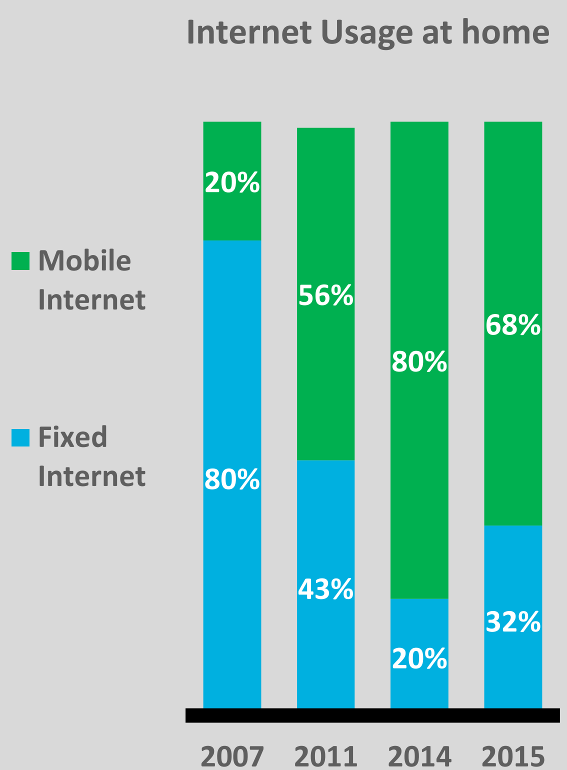
[Q58a] What are all the types of internet access you or your family members used? Please let me know all the methods used to access internet at home [Q59b] How many of these connections do you have at home?

SWITCHING TO MOBILE BROADBAND (1/2)

- 21% of respondents have replaced their fixed broadband service with mobile broadband service in 2015.
- 68% of 2015 survey respondents primarily use mobile internet at home when fixed internet is also available



Base: All those who have switched service 2015 (n=109)



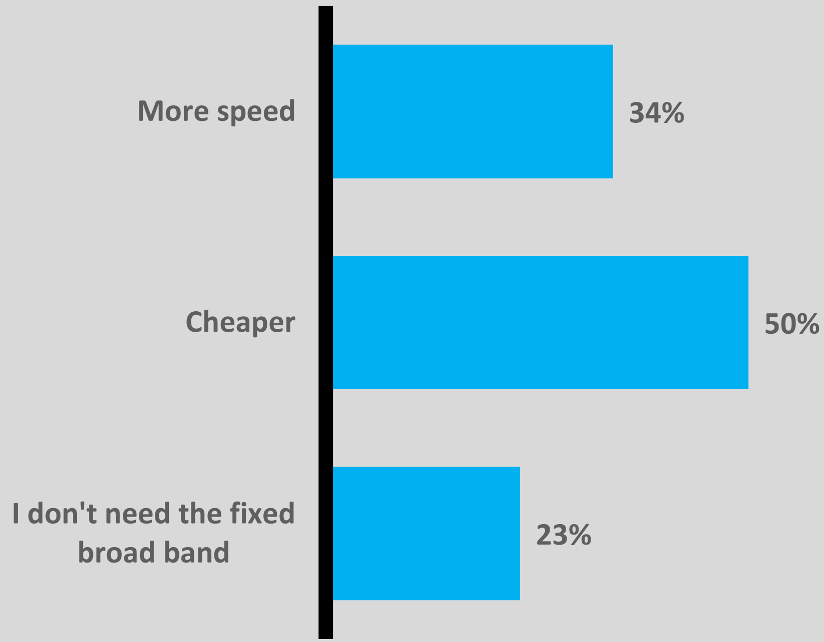
Base: All those who have access of internet at home 2015 (n=1062), 2014 (n= 958)

[Q73] Have you ever replaced your fixed broadband service with a mobile broadband service?
[Q68] Percentage of time spent online using mobile internet/fixed internet at home

SWITCHING TO MOBILE BROADBAND (2/2)

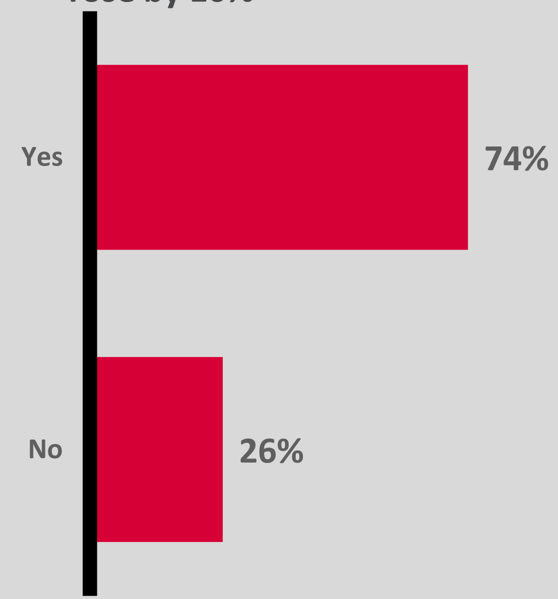
- "Cheaper" and "More speed" were the main reasons in 2015 survey for those who replaced fixed broadband with mobile broadband .
- Moreover, if fixed internet expenses rose by 10%, then 74% of respondents of 2015 survey would consider switching to mobile broadband.

Reasons for replacing fixed broadband service with mobile broadband service*



Base: Those who replace fixed broadband service with mobile broadband service (n= 223)

Consider switching if internet expenses rose by 10%

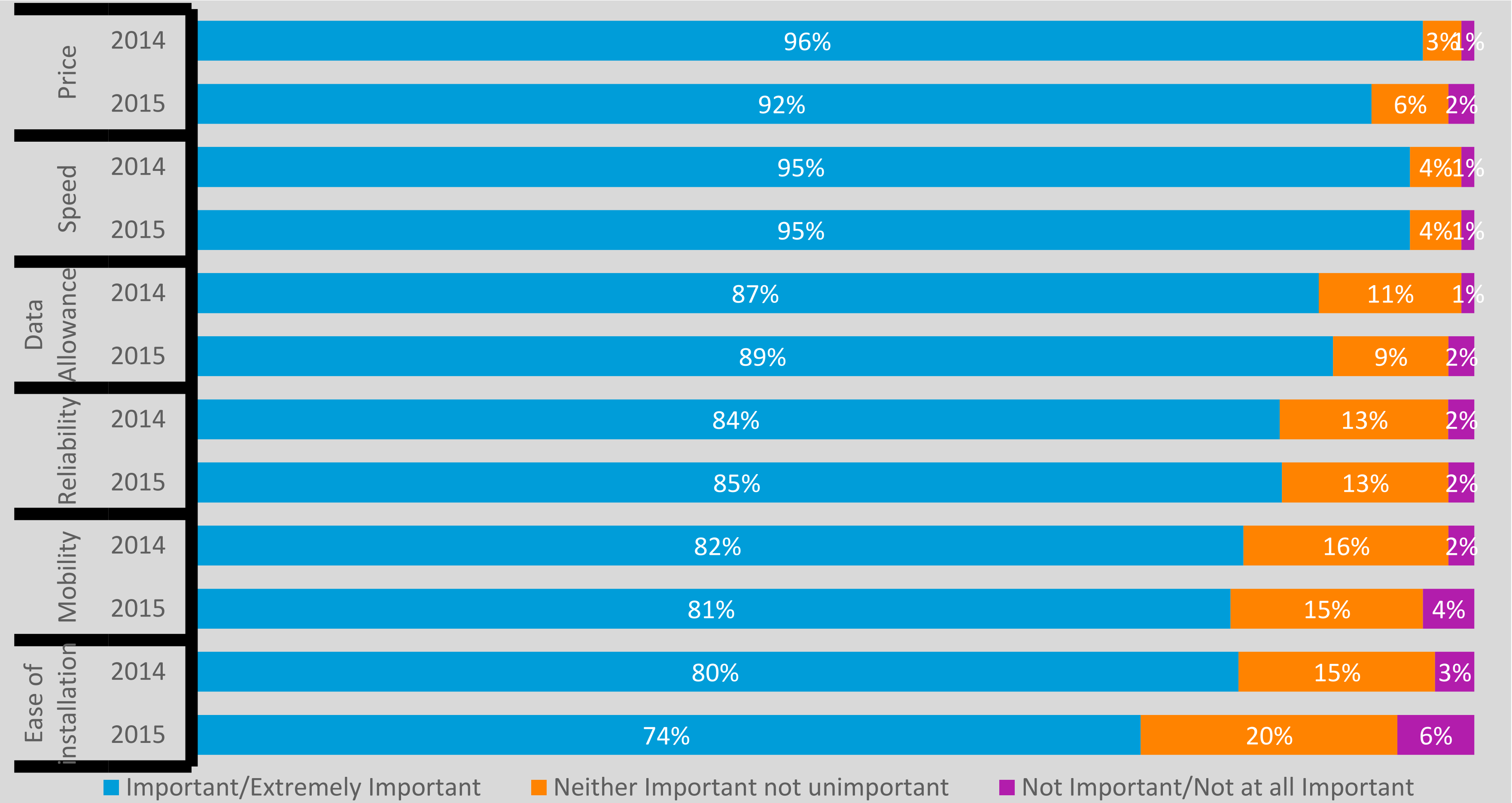


Base: All having the Internet access (n= 1061)

[Q74] What were some of the reasons why you replaced fixed broadband service with mobile broadband service?
[Q79] 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)

IMPORTANT FACTORS FOR PURCHASING INTERNET SERVICE

- Speed (95%) and price are the most important factors for respondents in 2015 survey when purchasing an internet service



Base: All having the Internet access (n= 1061)

[Q61] What factors are most important to you when purchasing an internet service?

INTERNET SPEEDS

- Respondents experienced significant rise in the internet speed with 77% of responds in 2015 have internet speed of 2 Mbps and above compared with 54% in 2014.

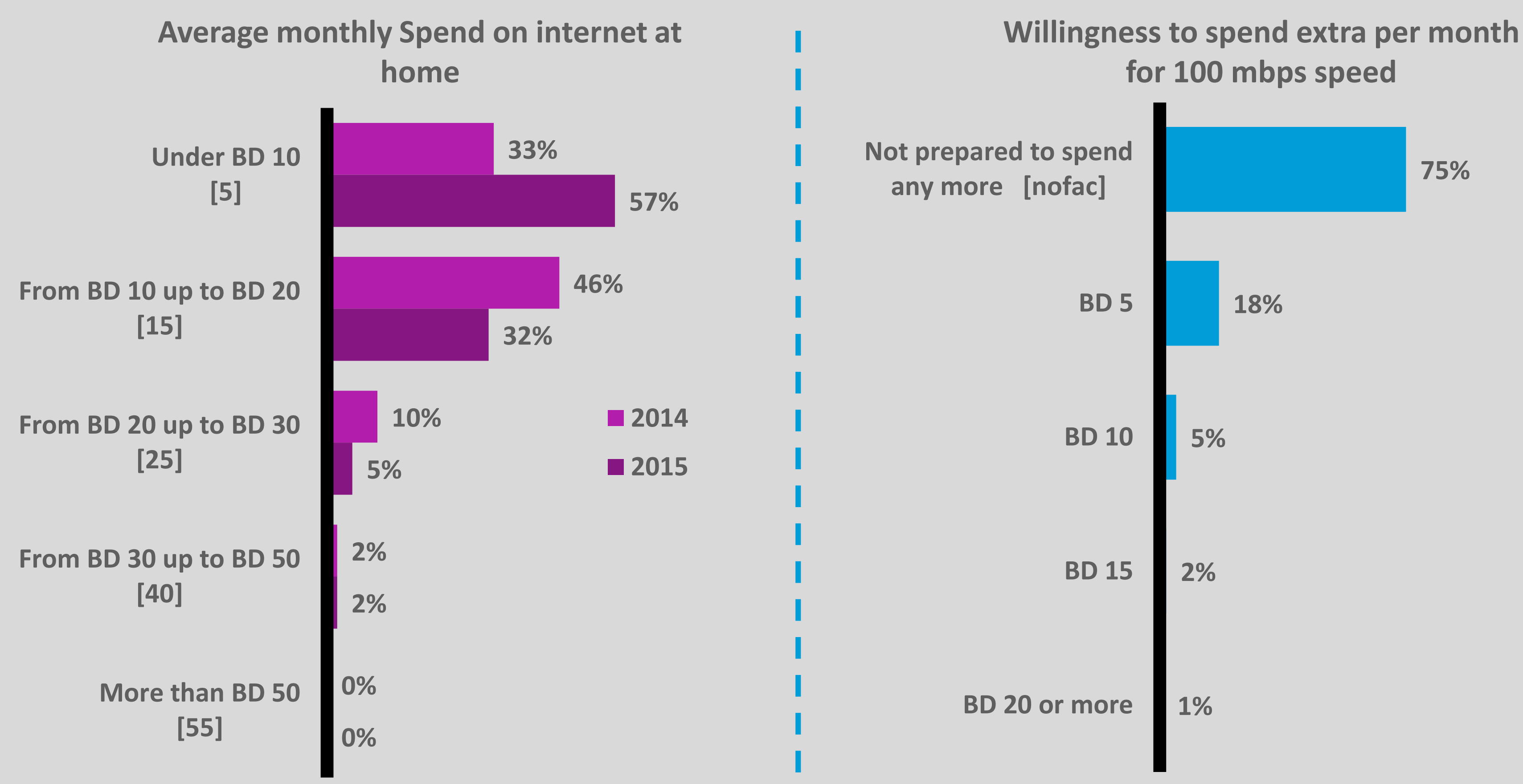
Internet Speeds for connection at home

	2007	2011	2014	2015
All respondents who access to internet	374	686	958	1061
1 Mbps or less	89%	19%	16%	23%
2Mbps to 5 Mbps	2%	61%	23%	49%
6 Mbps to 10 Mbps	-	4%	18%	29%
More than 10Mbps	-	-	13%	18%
Don't know	3%	16%	29%	3%
No Response	6%			

[Q59] What is the advertised speed/s of the below type of internet connection you subscribe to at home?

SPEND ON INTERNET AT HOME

- Majority of the 2015 survey respondents spend less than BD 20 on internet service.
- 75% of respondents are not willing to spend extra for a connection of 100 mbps



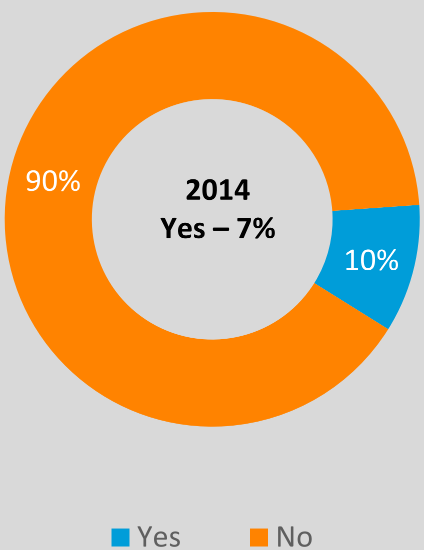
Base: All having the Internet access (n= 1061)

[Q75] Average monthly spend on internet service
[Q76]Compared with your current monthly spend on the internet services how much extra money would you be prepared to spend for 100 Mbps (i.e. fiber)

SWITCHING INTERNET SERVICE PROVIDERS

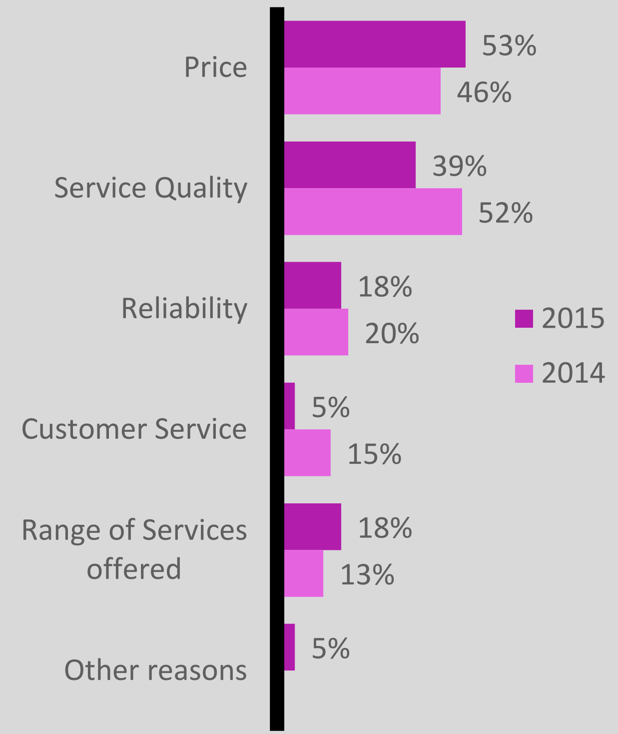
- 10% of respondents in 2015 survey have switched their service provider.
- The main reasons for switching were "Price" (53%) followed by "Service Quality" (39%)

Ever switched Internet Service Provider (2015)



Base: All having the Internet access (n= 1061)

Reasons for Switching

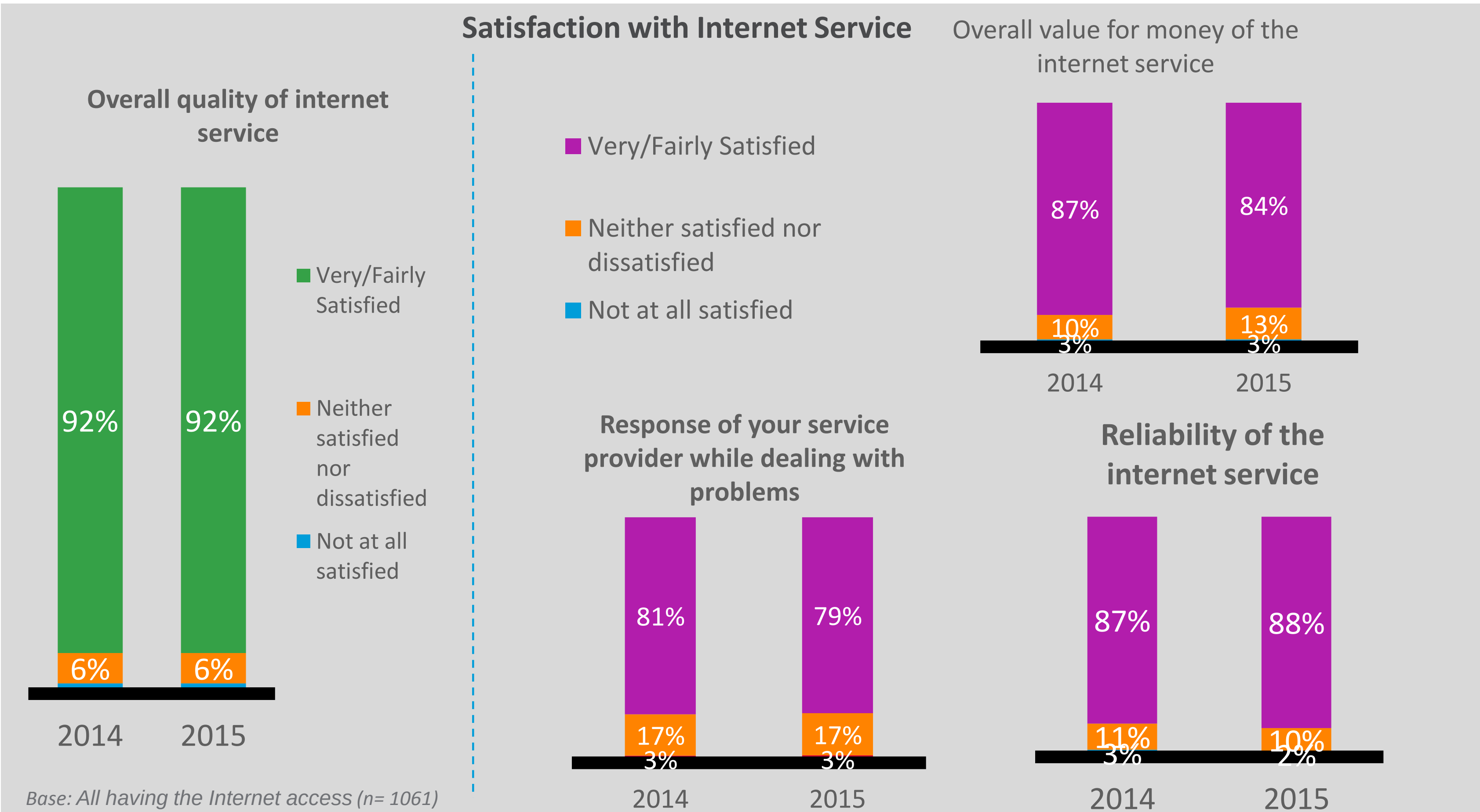


Base: All who have switched (n= 109)

[Q69] Switched between internet service provider

SATISFACTION WITH INTERNET SERVICE

- Overall satisfaction with internet service is high in 2015 survey.

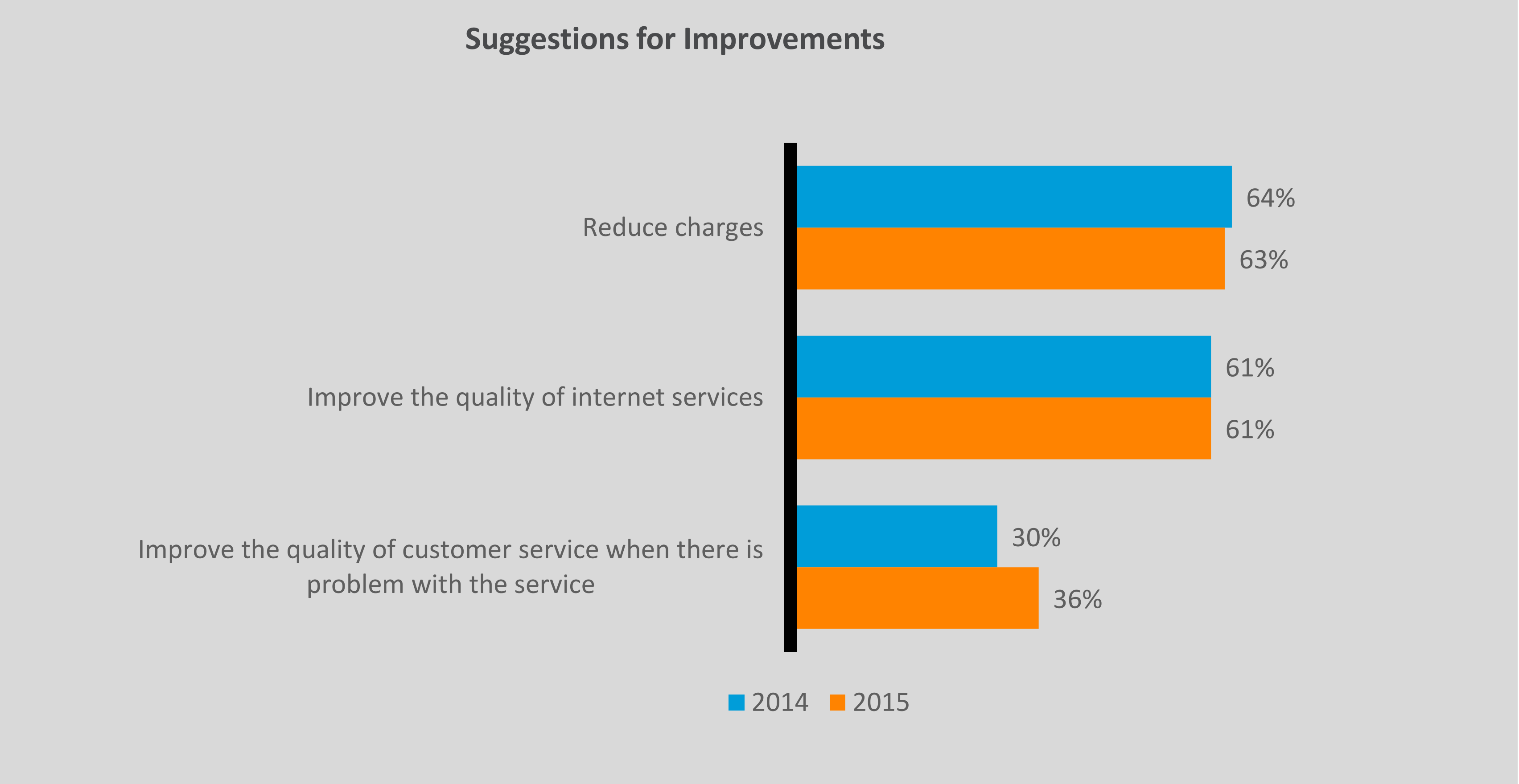


[Q81] Satisfaction towards internet service provider

[Q82] Suggestions to improve internet service provider

SUGGESTIONS FOR IMPROVEMENT

- The main suggestions for improvement provided by respondents in 2015 is reduction in charges (63%) and quality of internet services (61%)



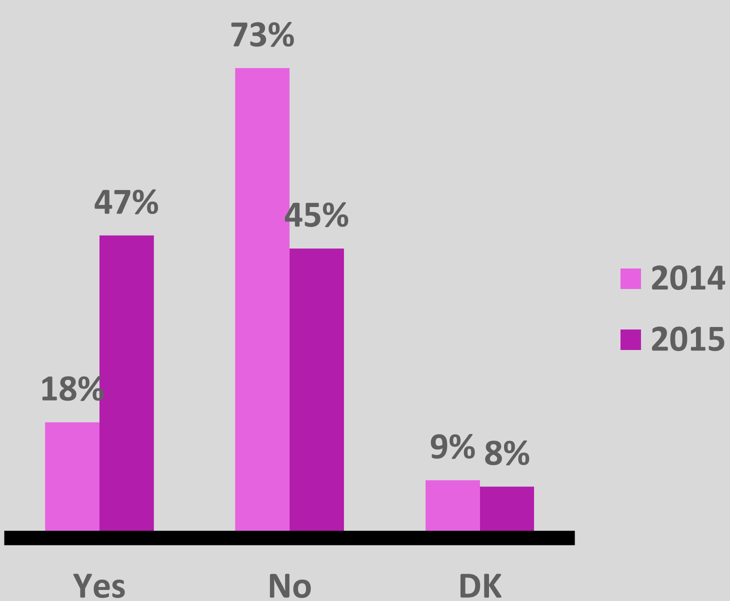
Base: All having the Internet access (n= 1061)

[Q81] Satisfaction towards internet service provider
[Q82] Suggestions to improve internet service provider

EXCEEDING DOWNLOAD LIMIT

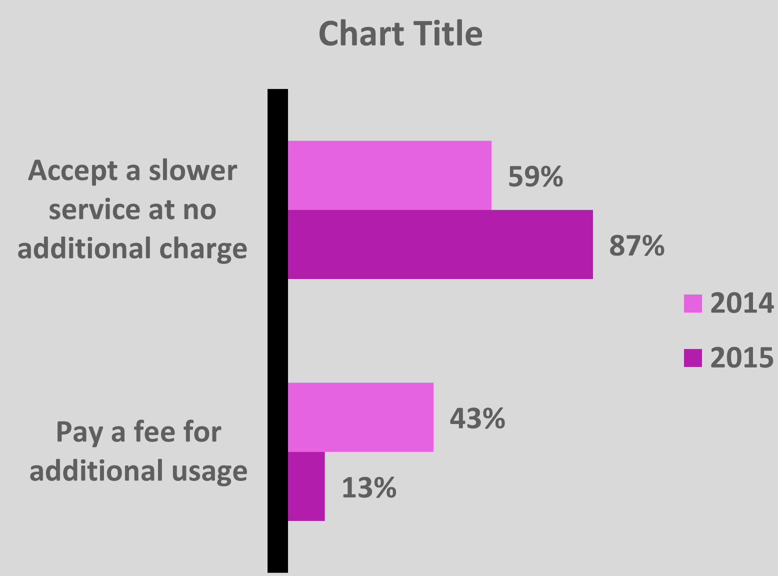
- 47% of respondents who use the internet exceeded their monthly download limit in 2015 compared with only 18% in 2014.
- 87% of them accepted a slower service at no additional charge whereas only 13% of them paid a fee for additional usage.

Monthly Download Exceed Limit



Base: All having the Internet access (n=1061)

Behavior after Exceeded Limit



Base: All who exceed their monthly downloaded limit (n=496)

[Q77] For the internet package, have you ever exceeded your monthly downloaded limit
[Q78] Behavior after exceeded monthly download limit

TELECOM SERVICES

- ❑ Fixed Line
- ❑ Mobile Phone Service
- ❑ International Calls
- ❑ Internet Service
- ❑ **OTT Application Usage**

SUMMARY: OTT APPLICATION USAGE

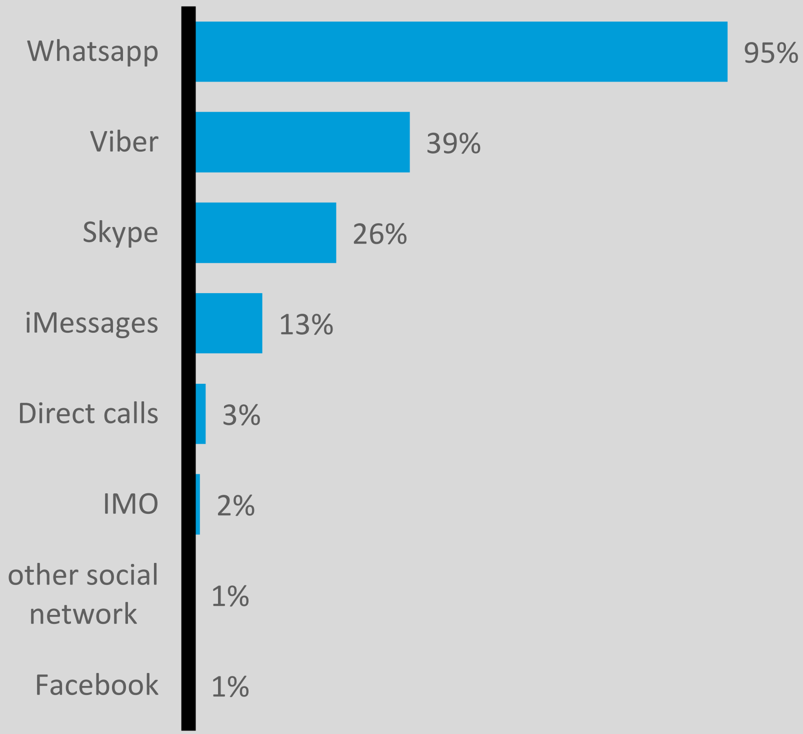
95% of respondents in 2015 survey use “Whatsapp” application to communicate with their family and friends

With the absence of Instant messaging services, 74% of respondents stated that they would have made a phone call instead

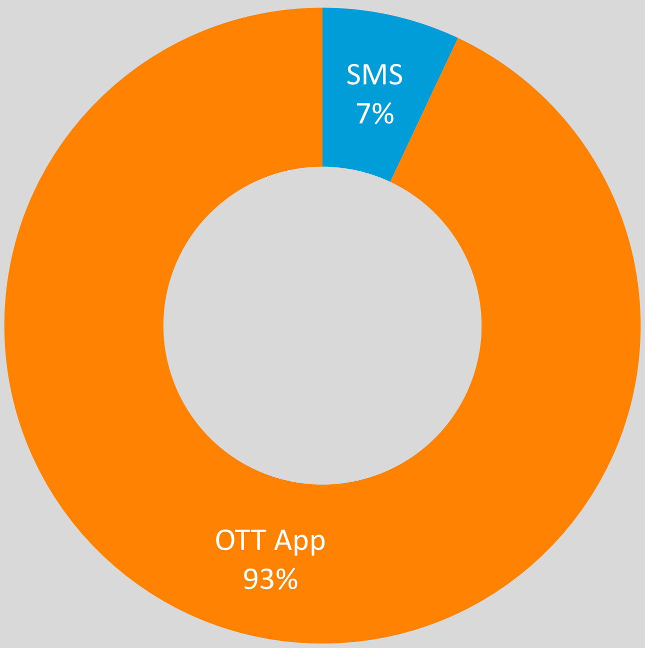
OTT APP USAGE

- 95% of 2015 survey respondents use WhatsApp to communicate with their family/relatives
- 93% of respondents prefer using OTT App to send messages instead of SMS

Apps used to communicate with family/relatives at least once a day



Preference to SMS/OTT App for messaging



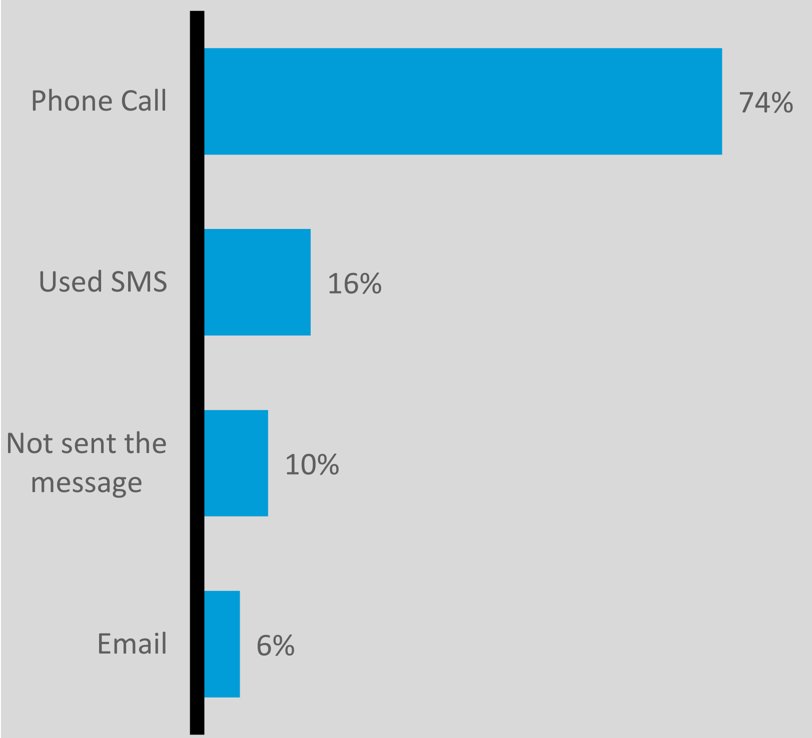
Base: All having the Internet access (n=1061)

[Q 83] Which of these means of communication do you use to communicate with friends and family at least once a day?
[Q 84] What proportion of your messaging do you do via

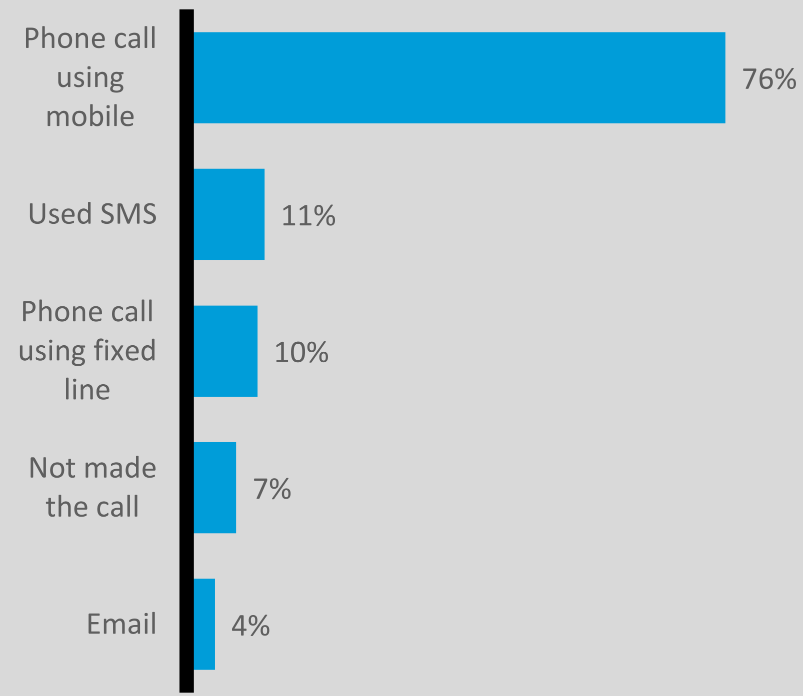
OTT APP USAGE – ALTERNATIVE TO OTT

- 74%of the respondents stated that they would have made a phone call in case no IM service was available the last time they used it. Almost same proportion of respondents (76%) indicated that they would have used their mobile phone to make a call in case no OTT app was available the last time they used it.

Preference in case of absence of instant messaging service



Preference in case of absence of OTT app to make a call



Base: All having the Internet access (n=1061)

[Q85] Consider the last time you used an IM service to communicate, in the absence of that service what would you have done?
[Q86] Consider the last time you used an OTT app to make a call, in the absence of that service what would you have done?

APPENDIX

RESEARCH DESIGN

Target Respondent

- Individuals Aged 15 yrs and above
- Across all Socio Economic Classes (SEC)
- Bahraini Nationals and Non-Bahraini (Expat Arabs, Expat Asians and Westerners).

Research Methodology

- 1196 Quantitative face to face interviews were conducted amongst the target respondents using a structured questionnaire.
- All the interviews were carried out at either the residence or work place of the respondent.
- Interviews were conducted in English / Arabic/Urdu as convenient to the respondent.
- Interview length was approximately of 40-45 minutes.
- Field work timing : May - June 2015

SEC DEFINITION

Socio-economic class classification is primarily defined by the Occupation of the respondent.
However, to support 'occupation' we do use additional variables such as

- Education of the Head of the Household
- Possession of certain consumer durables
- Monthly Household Income
- Locality, Type of housing

SOCIO ECONOMIC CLASS A	SOCIO ECONOMIC CLASS B
Directors / Owners of large companies	Aircraft Pilots
Senior Managers in large companies	Navigators
Merchants / Businessmen (owners of large companies)	Physicians
Senior Government Officials	Surgeons
	Financial Consultants
	Economists
	Senior Accountants / Statisticians
	Computer Programmers / Engineers earning high salaries
	Lawyers
	Judges
	University Lecturers
	Senior Journalists

SEC DEFINITION

SOCIO ECONOMIC CLASS C1	SOCIO ECONOMIC CLASS C2
Teachers	Employees in private offices/insurance companies (typist, clerks, book-keepers, accountants, telephone operators)
Technicians of Lower Grade	Bank Employees, Cashiers
Junior Scientists of Lower Grade	Lower-grade Civil Servants
Surveyors of Lower Grade	Non-commissioned Officers
Aircraft Mechanics of Lower Grade	Supervisors or salespeople or other employees/ raveling sales representatives
Legislative Assistants of Lower Grade	Technicians or technical assistants – not requiring higher education (nurses, medical assistants, draftsmen, electronically or mechanical assistants
Commercial Artists of Lower Grade	Artisans self employed (carpenters, electricians, mechanics, plumbers)
Designers of Lower Grade	Tailors self-employed
Bank Managers of Medium Enterprises (employing 5-10 people)	Owners of groceries/kiosks/shopkeepers
Travel Agency Managers of Medium Enterprises (employing 5-10 people)	Owners of very small companies/merchants
Small Factory Managers of Medium Enterprises (employing 5-10 people)	Other persons of equivalent incomes as above
Assistant Managers of large enterprises (employing more than 10 people)	
Engineers / Accountants with low salaries	
Others	

SEC DEFINITION

SOCIO ECONOMIC CLASS D	SOCIO ECONOMIC CLASS E
Policemen, Soldiers, or Firemen	Watchmen, Night guards, Doorkeepers
Drivers (taxi, buses, trucks, crane operators)	Messengers, Tea men, Office-boys
Factory Supervisors and Foremen	Street vendors, Canvassers and new vendors
Farmers (small scale), Fishermen, Shepherds	Unskilled vendors in general (building workers, laborers, farmhands)
Artisans working for others (Carpenters, Electricians, Merchants, Plumbers)	Servants/Maids
Tailors working for others	
Skilled and semi-skilled workers	
Butchers	
Shop Assistants/Salesmen	
Cooks	
Waiters	
Barbers, Hairdressers	
Low Clerks, Storekeepers	
Other persons of equivalent income as above	

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