Bermuda Mobile Market Study

Research Results

for:

January 2015

Survey Overview

Sample/Methodology

- Global Research utilised Computer Assisted Telephone Interviewing (CATI) to survey a representative sample of 400 Bermuda residents aged 18 and over.
- The total sample was weighted to be representative of Bermuda's population by age, gender and education according to the 2010 population and housing census figures.
- The margin of error for the study was +/- 4.9%.
- Some table percentages may add to more than 100% due to multiple mentions (i.e., questions that allow residents to select more than one response).
- Employees in the following industries were excluded:
  - Marketing/Market Research Firm
  - Advertising Agency or Public Relations Firm
  - Telecommunications Service Provider
- The survey was conducted in December 2014 and lasted approximately 15 minutes.
  - The results are compared to those collected in 2013.

Survey Overview

- Research Objectives:
  - Provide a benchmark measure of:
    - Mobile device usage and device ownership
    - Mobile Service Provider market share
    - Mobile data usage
    - Roaming usage and costs
    - Average monthly expenditure on mobile
  - Obtain perceptions of:
    - Important factors when selecting a Mobile Service Provider
    - Satisfaction with Mobile Service Providers and likelihood to recommend
    - Mobile service call substitution
    - Likelihood of switching Mobile Service Providers
    - Impact of Local Number Portability on likelihood to switch
    - New Mobile Service Provider market entry

Executive Summary

Executive Summary

Mobile Device Ownership

- ***Bermuda continues to enjoy high mobile penetration. Android smartphone usage has increased and BlackBerry usage has declined.***
  - *Ninety five percent (vs. 93% in 2013) owned a mobile phone.*
  - *The top reasons for not owning a mobile phone were not needing one (55% vs. 46% in 2013) or believing the cost to be too expensive (50% vs. 52% in 2013).*
  - *Thirteen percent of those without a mobile phone are unlikely to obtain service in the next 6 months, a 14 point decline from the 2013 results.*
  - *The most popular mobile devices used were Android smartphones (38% vs. 27% in 2013), iPhones (26% vs. 29% in 2013) and basic cell phones (23% vs. 33% in 2013).*
  - *BlackBerry smartphone usage declined by 23 points (from 38% in 2013 to 15% in 2014).*

Market Share

- ***CellOne increased its market share lead over Digicel.***
  - *CellOne's market share increased by 7 points, from 52% in 2013 to 59% in 2014.*
  - *The majority of customers had postpaid service (77% vs. 80% in 2013).*

Executive Summary

Data Usage – Mobile Phones

- ***Data usage on mobile phones remained high but satisfaction with mobile data speed declined significantly.***
    - *Sixty-seven percent (vs. 70% in 2013) used data on their mobile phone.*
    - *The top reason for not having mobile data was not needing it (63%).*
    - *Of those using mobile data, 88% (vs. 81% in 2013) subscribed to a data plan.*
    - *The most popular activities that residents used mobile data on their mobile phones for included emailing (83% vs. 83% in 2013), Internet browsing (81% vs. 87% in 2013), instant messaging (74% vs.72% in 2013) and social networking (71% vs. 67% in 2013).*
    - *Mobile data users' satisfaction with mobile data speed declined by 16 points, from 77% in 2013 to 61% in 2014.*

Executive Summary

Data Usage – Tablet or USB Modem

- ***This year saw a significant decline in using mobile data for a tablet or USB modem and moderate levels of satisfaction with mobile data speed.***
  - *Down by 33 points from 2013, only 12% (vs. 45% in 2013) used mobile data service on their tablet or via a USB modem.*
  - *Of residents using mobile data for their tablet or USB modem, 58% subscribed to a data plan.*
  - *Sixty-nine percent of those using mobile data on their table or via a USB modem were satisfied with the speed of mobile data service.*
  - *The most popular activities performed on a tablet or via using a USB modem included email (98%), Internet browsing (94%), social networking (77%) and YouTube (54%).*

Executive Summary

Roaming

- ***Roaming continues to be considered expensive and residents would like the option of being alerted of their mounting charges, or have the ability to apply a cap on the cost.***
  - *Seventy-five percent (vs. 51% in 2013) had travelled outside of Bermuda in the past year and 42% of travelers had incurred roaming charges.*
  - *Eighty-eight percent (vs. 90% in 2013) of travelers believed that roaming service is expensive.*
  - *Close to 7 in 10 (68% vs. 77% in 2013) travelers said they want the choice of being able to have their roaming charges capped or receive a text message alerting them of their current roaming charges.*

Executive Summary

Monthly Expenditure & Price Perceptions

- ***Cost of mobile service continues to be considered expensive. A 20% increase in cost would lead to a significant decline in usage.***
  - *Seventy-seven percent (vs. 80% in 2013) believed that the price of mobile service in Bermuda is expensive.*
  - *On average, residents reported spending $127 per month for mobile service, $3 less than the average spend in 2013.*
  - *If the price of monthly mobile service increased by 20%, 79% of residents (vs. 68% in 2013) said that they would reduce their usage.*

Executive Summary

Information on Mobile Service

- ***Mobile pricing plans are not very easily understood. Residents continue to rely on their service provider (either in person or over the phone), advertisements or via information from family and friends.***
  - *Half of residents (vs. 44% in 2013) believed that it is easy to understand and choose a specific mobile pricing plan.*
  - *Customer care (43% vs. 50% in 2013), advertisements (38% vs. 38% in 2013) and family and friends (38% vs. 35% in 2013) were the most popular outlets for obtaining information about mobile service and pricing.*

Executive Summary

Satisfaction with Mobile Service Provider Attributes

- ***Satisfaction with mobile service provider attributes declined significantly. Cost is the primary issue that residents have with their mobile service, followed by dropped calls and poor network coverage.***
  - *Average satisfaction with mobile provider attributes declined by 14 points, from 76% in 2013 to 62% in 2014.*
  - *CellOne Customers were more satisfied than Digicel customers.*
  - *Cost remained the top issue that residents have with their mobile service (35% vs. 52% in 2013), followed by dropped calls (12% vs. 6% in 2013), poor network coverage (11% vs. 6% in 2013) and slow mobile data speed (8% vs. 2% in 2013).*
  - *There was a 7 point increase in the percentage of customers who experience dropped calls a few times a week or more, from 22% in 2013 to 28% in 2014.*

Importance Factors

- ***Although call quality and value for money are important, customer service remains the number one factor when deciding on a mobile service provider.***
  - *Similar to 2013, the most important factors when deciding on a mobile service provider were good customer service (97% vs. 97% in 2013), call quality (94%, vs. 97% in 2013), and offering value for money (91%, vs. 97% in 2013).*

Executive Summary

Likelihood to Switch Providers

- ***Generally residents are unlikely to switch mobile service providers but they are more likely to consider switching if the price of their mobile service could decrease by 20%.***
  - *Forty-nine percent said that they would be likely to switch providers if the price of their mobile service could decrease by 20%, a 4 point increase from 2013.*
  - *Identical to 2013, 56% of customers had a contract with their mobile service provider.*
  - *Six percent of residents (vs. 11% in 2013) had switched mobile providers in the past two years.*
  - *Ten percent believed that switching mobile service is difficult, an 8 point decline from the 2013 results.*
    - *Having a contact/termination fees (63%) was the top reason given by residents who deemed switching to be difficult.*
  - *Four percent (vs. 7% in 2013) were likely to switch providers in the next 6 months.*
  - *The top reason for considering switching was for a better offer, incentives or price (73%).*

Executive Summary

Overall Satisfaction with Mobile Service Provider

- ***Satisfaction with Mobile Service Providers declined marginally. CellOne customers were more satisfied than Digicel customers.***
  - *Average satisfaction with mobile service providers was 7.59 out of 10, a .18 decline compared to 2013 (7.77).*
  - *CellOne customers were more satisfied than Digicel customers (7.75 vs. 7.35).*
  - *Top suggestions for improving service included lowering costs (40%), improving coverage, call quality and reception (8%) and improving network coverage/quality (7%).*

Likelihood of Recommending Mobile Service Provider

- ***Likelihood of recommending Mobile Service providers declined marginally. CellOne customers were more likely to recommend their provider than Digicel customers.***
  - *Average score for likelihood of recommending providers declined by .22 points, from 7.57 to 7.35.*
  - *CellOne customers were more likely to recommend than Digicel customers (7.51 vs. 7.13).*

Executive Summary

Local Number Portability

- ***Understanding of number portability increased significantly. Number portability had a moderate impact on residents' likelihood of switching providers.***
  - *Knowledge of number portability increased by 22 points, from 28% in 2013 to 50% in 2014.*
  - *Eighteen percent (vs. 20% in 2013) said that they would be likely to switch providers in light of number portability.*

New Mobile Service Provider

- ***Residents remained in favor of a new mobile service provider entrant.***
  - *Consistent with 2013, over 8 in 10 (83% vs. 82% in 2013) are in favour of a new mobile service provider in Bermuda.*

Detailed Findings

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Mobile Usage & Market Share

Mobile Device Ownership

Do you own a mobile phone?

- Ninety-five percent (vs. 93% in 2013) owned a mobile phone.

	2013	2014
Yes	93%	95%
No	7%	5%

Why do you not have a mobile phone? (N = 22, multiple responses accepted)

- Consistent with 2013, the top reasons for not owning a mobile phone were not needing one (55% vs. 46% in 2013) or believing the cost to be too expensive (50% vs. 52% in 2013).

	2013	2014
Not required (I do not need it)	46%	55%
Too expensive/ Can't afford it	52%	50%
Credit problems	6%	10%
Too complicated to use	0%	0%

On a scale of 1 to 5, with 5 being Very Likely and 1 being Very Unlikely, how likely are you to get mobile service in the next 6 months? (N = 22)

- Thirteen percent of those without a mobile phone are unlikely to obtain service in the next 6 months, a 14 point decline from the 2013 results.

	2013	2014
TOP 2	***27%***	***13%***
5 – Very Likely	15%	13%
4	12%	0%
3	21%	4%
2	6%	9%
1 – Very Unlikely	42%	70%
Volunteered: Don't Know	3%	4%

Mobile Device Provider and Type of Service

Who is the mobile service provider you use for your primary service? (N = 400)

- CellOne's market share increased by 7 points, from 52% in 2013 to 59% in 2014.

	2013	2014
Digicel	48%	41%
CellOne	52%	59%

What type of mobile service do you have with your primary provider?

- Seventy-seven percent had postpaid service 77% (vs. 80% in 2013).

	2013	2014
Prepaid	20%	23%
Post-paid	80%	77%

Who is the mobile service provider you use for your primary service and what types of service do you have with them?

- Compared to 2013, CellOne Postpaid and Prepaid market share increased by 3 points.
- Digicel's Prepaid service increased by 1 point and its Postpaid service declined by 7 points.

	2013	2014	Male	Female	18-34	35-44	45-54	55-64	65+
CellOne Prepaid	10%	13%	13%	12%	12%	8%	7%	10%	28%
CellOne Postpaid	42%	45%	41%	50%	40%	49%	47%	49%	45%
Digicel Prepaid	9%	10%	13%	6%	11%	9%	6%	10%	12%
Digicel Postpaid	39%	32%	33%	31%	36%	34%	41%	30%	15%

Bundled Offers

Is your mobile service part of a bundled offer, such as mobile and home Internet?

- Fifteen percent had their mobile service as part of a bundled offer, a 3 point decline from 2013.
- Digicel customers (20%) were more likely than CellOne customers (11%) to have a bundled offer.

	2013	2014	CellOne	Digicel
Yes	18%	15%	11%	20%
No	80%	85%	89%	80%
Don’t Know	2%	0%	0%	0%

Mobile Devices

What types of mobile devices, including phones or tablets, do you currently use? Any others?

- The most popular mobile devices used were Android smartphones (38% vs. 27% in 2013), iPhones (26% vs. 29% in 2013), followed by basic cell phones (23% vs. 33% in 2013).
- Android smartphone usage increased by 11 points and BlackBerry smartphone usage declined by 23 points (from 38% in 2013 to 15% in 2014).

	2013	2014	CellOne	Digicel
Android smart phone	27%	38%	45%	41%
iPhone	29%	26%	28%	30%
Basic cell phone (not a smartphone)	33%	23%	30%	22%
Tablet such as an iPad	29%	21%	21%	25%
BlackBerry	38%	15%	20%	13%
USB modem for mobile Internet (for a laptop)	18%	4%	3%	6%
Other smart phone (i.e. Windows phone)	2%	2%	3%	1%
Other	4%	1%	1%	0%
Don't Know	0%	0%	1%	0%

Mobile Data Usage – Mobile Phones

Mobile Data Usage – Mobile Phone

Please answer this next set of questions regarding mobile data service as it pertains to your mobile phone, not for a tablet such as an iPad or mobile Internet for your laptop via a USB modem.

Do you use data service on your mobile phone?

- Sixty-seven percent (vs. 70% in 2013) used data on their mobile phone.

	2013	2014	CellOne	Digicel	Male	Female	18-34	35-44	45-54	55-64	65+
Yes	70%	67%	66%	68%	68%	66%	85%	83%	69%	57%	27%
No	30%	33%	34%	32%	32%	34%	15%	17%	31%	43%	73%

Mobile Data Usage – Mobile Phone – No Data Service

Why do you not have data service on your mobile phone? (N = 127, multiple responses accepted)

- The top reason for not having mobile data was not needing it (63%).

	2013	2014
Not required (I do not need it)	55%	63%
Too expensive/ Can't afford it	43%	23%
My phone is not equipped to use data	10%	10%
My phone is equipped to use data, but I use Wi-Fi only	6%	6%
Too complicated to use	12%	4%

On a scale of 1 to 5, with 5 being Very Likely and 1 being Very Unlikely, how likely are you to get mobile data service in the next 6 months? (N = 127).

- Ninety-one percent of those without mobile data were unlikely to obtain it.

	2013	2014
TOP 2	***6%***	***5%***
5 - Very Likely	1%	1%
4	5%	4%
3	9%	3%
2	11%	5%
1 - Very Unlikely	72%	86%
Don't Know	2%	1%

Mobile Data Usage – Mobile Phone – Data Plan Subscription

Are you subscribed to a specific data plan for your mobile phone? (N = 243)

- Of those using mobile data, 88% (vs. 81% in 2013) subscribed to a data plan.

	2013	2014	CellOne	Digicel	CellOne Prepaid	CellOne Postpaid	Digicel Prepaid	DIgicel Postpaid
Yes	81%	88%	91%	86%	70%	94%	69%	87%
No	12%	11%	8%	14%	30%	5%	31%	13%
Don’t Know	6%	0%	0%	0%	0%	1%	0%	0%

Mobile Data Usage – Mobile Phone - Activities

Which activities do you use mobile data service for? Select all that apply. (N = 243, multiple responses accepted)

- The most popular activities that residents used mobile data on their mobile phones for included emailing (83% vs. 83% in 2013), Internet browsing (81% vs. 87% in 2013), instant messaging (74% vs.72% in 2013) and social networking (71% vs. 67% in 2013).

	2013	2014
Email	83%	83%
Internet Browsing	87%	81%
Instant Messaging (BBM, WhatsApp, etc.)	72%	74%
Social Networking (Facebook, Twitter, etc.)	67%	71%
YouTube	29%	40%
Newsfeeds	20%	25%
Download music or movies	25%	20%
Online Gaming	14%	13%
Volunteered: Don’t Know	1%	0%
*Other	2%	4%
*Other responses included: Applications, internet banking and Skype/VOIP calling.		

Mobile Data Usage – Mobile Phone – Satisfaction with Speed

On a scale of 1 to 5, with 5 being Very Satisfied and 1 being Very Unsatisfied, how satisfied are you with the speed of your mobile data service? (N = 243)

- Mobile data users' satisfaction with mobile data speed declined by 16 points, from 77% in 2013 to 61% in 2014.

	2013	2014	CellOne	Digicel
TOP 2	***77%***	***61%***	***64%***	***56%***
5 – Very Satisfied	21%	22%	27%	14%
4	56%	39%	37%	42%
3	17%	20%	19%	22%
2	5%	13%	11%	16%
1 –Very Unsatisfied	1%	5%	5%	6%
Don't Know	1%	1%	1%	1%

Mobile Data Usage – Mobile Phone - Dissatisfaction

Why do you say that you are unsatisfied with your data speed? (N = 85 responses)

- The top reason for being unsatisfied with mobile data speed was because it was perceived as being "too slow" (67%).

	2014
The speed is too slow	67%
Poor reception/signal	8%
The cost is too high	7%
Network doesn't always work/ network is overloaded	7%
Need a new plan	4%
Charged for unused data	2%
Poor connection	1%
Data limit is exceeded too fast	1%
It is average	1%

Mobile Data Usage – Tablets or USB Modem

Mobile Data Usage – Tablet/ Modem

Please answer this next set of questions regarding mobile data service as it pertains to your tablet such as an iPad, or mobile Internet for your laptop via a USB modem.

Do you use mobile data service provided by a mobile service provider on your tablet such as an iPad or by using a USB modem? This does not include using Wi-Fi to access the Internet.

- Down by 33 points from 2013, 12% (vs. 45% in 2013) used mobile data service on their tablet or via a USB modem.

	2013	2014	CellOne	Digicel
Yes	45%	12%	13%	11%
No	34%	48%	50%	46%
Do not own a tablet or USB modem	21%	39%	36%	43%

Mobile Data Usage – Tablet/ Modem – No Data Service

Why do you not have data service for your tablet? (N = 140, multiple responses accepted)

- Fifty-six percent of those who did not have data service for their tablet said they do not need it.

	2013	2014
Not required (I do not need it)	52%	56%
Too expensive/ Can't afford it	16%	19%
Too complicated to use	1%	2%
My device is not equipped to use mobile data	4%	14%
My device is equipped to use mobile data, but I use Wi-Fi only	22%	17%

On a scale of 1 to 5, with 5 being Very Likely and 1 being Very Unlikely, how likely are you to get mobile data service for your tablet or USB modem in the next 6 months? (N = 140)

- Very few residents (1%) said they intend on obtaining data service for a tablet or USB modem.

	2013	2014	CellOne	Digicel
TOP 2	***1%***	***2%***	***1%***	***4%***
5 - Very Likely	0%	2%	1%	3%
4	1%	1%	0%	1%
3	2%	2%	2%	1%
2	12%	9%	13%	3%
1 – Very Unlikely	81%	79%	74%	86%
Don't Know	3%	9%	10%	6%

Mobile Data Usage – Tablet/ Modem – Data Plan Subscription

Are you subscribed to a specific data plan for your tablet or USB modem? (N = 44)

- Of those using mobile data for their tablet or USB modem, 58% subscribed to a data plan.

	2014	CellOne	Digicel
Yes	58%	50%	72%
No / Don't Know	42%	50%	28%

Mobile Data Usage – Tablet/ Modem – Activities

Which activities do you use mobile data service for on your tablet or using a USB modem? Select all that apply. (N = 44, multiple responses accepted)

- The most popular activities performed on a tablet or via using a USB modem included email (98%), Internet browsing (94%), social networking (77%) and YouTube (54%).

	2013	2014
Email	98%	98%
Internet Browsing	96%	94%
Social Networking (Facebook, Twitter, etc.)	54%	77%
YouTube	56%	54%
Download music or movies	71%	52%
Instant Messaging (BBM, WhatsApp etc.)	23%	48%
Newsfeeds	53%	42%
Online Gaming	40%	27%

Mobile Data Usage – Tablet/ USB Modem – Satisfaction with Speed

On a scale of 1 to 5, with 5 being Very Satisfied and 1 being Very Unsatisfied, how satisfied are you with the speed of your mobile data service? (N = 44)

- Sixty-nine percent of those using mobile data on their tablet or via a USB modem were satisfied with the speed of mobile data service.

	2014	2014	CellOne	Digicel
TOP 2	***81%***	***69%***	***68%***	***72%***
5 – Very Satisfied	28%	33%	39%	22%
4	53%	37%	29%	50%
3	14%	18%	23%	11%
2	3%	4%	3%	6%
1 –Very Unsatisfied	1%	0%	0%	0%
Don’t Know	1%	8%	6%	11%

Mobile Data Usage – Tablet/ USB Modem - Dissatisfaction

Why do you say that you are unsatisfied with your data speed? (N = 10 responses)

- The most popular reason for being dissatisfied with data speed was that it was perceived as being "too slow" (60%).

	2014
Speed is too slow	60%
Not getting what I am paying for	20%
Requires improvement	10%
Not consistent	10%

Roaming

Roaming – Trips

In the last year, have you travelled outside of Bermuda? How often?

- Seventy-five percent (vs. 51% in 2013) had travelled in the past year.

	2013	2014
Yes – 1 time	25%	25%
Yes – 2 – 3 times	19%	36%
Yes – 4 times or more	7%	14%
No	49%	25%

At any time while traveling abroad in the last year, did you use your mobile phone and incur roaming charges? (N = 275)

- Forty-two percent (vs. 52% in 2013) of travelers incurred roaming charges.

	2013	2014
Yes	52%	42%
No	48%	58%

On a scale of 1 to 5, with 5 being Very Easy and 1 being Not Very Easy, how easy is it to understand roaming charges? (N = 275)

- Thirty-six percent (vs. 27% in 2013) said they understand their roaming charges.

	2013	2014
TOP 2	***27%***	***36%***
5 - Very Likely	14%	23%
4	13%	13%
3	20%	18%
2	24%	11%
1 - Very Unlikely	26%	26%
Don't Know	2%	9%

Roaming – Roaming Charges Options

Which one of the following statements do you agree with the most? (N = 275)

- Close to 7 in 10 (68% vs. 77% in 2013) travelers said they want the choice of being able to have their roaming charges capped or being sent a text message alert of their current roaming charges.

	2013	2014
Roaming charges in Bermuda should be capped at $100. Once that limit is reached, roaming services will be suspended and not restored until the customer authorizes it.	13%	16%
Roaming charges should not be capped. Providers should send text messages alerting you to your current roaming charges.	10%	15%
Customers should have the choice of having their roaming charges capped or a text message alert being sent.	77%	68%

Roaming – Perception of Roaming Charges

In the context of Bermuda, where the cost of goods and services is generally higher than in North America or Europe, do you consider the price you are paying for roaming service to be:

- Eighty-eight percent (vs. 90% in 2013) said they believe that roaming service is expensive.

	2013	2014
Expensive	90%	88%
Reasonable	5%	8%
Cheap	1%	0%
Don't Know	4%	4%

Monthly Expenditure

Mobile Monthly Expenditure

Approximately how much do you spend per month on your mobile service, including voice, text, data and roaming?

- On average, residents reported spending $127 per month for mobile service, $3 less than the average spend in 2013.

	2013	2014	CellOne	Digicel
$0 - $49	9%	10%	8%	11%
$50 - $99	22%	26%	29%	21%
$100 - $149	32%	28%	24%	33%
$150 - $199	23%	21%	21%	22%
$200 - $249	8%	9%	12%	4%
$250 - $299	4%	4%	4%	4%
$300 or higher	3%	4%	3%	5%
Mean	*$130.30*	*$127.02*	*$125.77*	*$129.58*

Cost of One Minute Mobile Call

Do you know how much it would cost you to make a one minute call from your mobile?

- Twenty-one percent (vs. 18% in 2013) reported awareness of the cost of making a one minute call from their mobile device.

	2013	2014	CellOne Prepaid	CellOne Postpaid	Digicel Prepaid	Digicel Postpaid
Yes	18%	21%	22%	25%	31%	13%
No	81%	73%	70%	74%	56%	80%
Don't Know	1%	5%	8%	2%	13%	7%

If Yes, do you think the rates are [Expensive/ Reasonable/ Cheap]. (N = 77)

- Eighty-six percent of those aware of the cost of a one minute call, believed that rates are expensive.

	2013	2014
Expensive	83%	86%
Reasonable	15%	14%
Don't Know	1%	0%

Reduction in Usage if Cost Increased 20%

If the price of your monthly mobile service increased by 20%, would you reduce your usage to try to reduce your cost?

- If the price of monthly mobile service increased by 20%, 79% of residents (vs. 68% in 2013) said that they would reduce their usage.

	2013	2014	CellOne Prepaid	CellOne Postpaid	Digicel Prepaid	DIgicel Postpaid
Yes	68%	79%	76%	81%	74%	79%
No	27%	17%	20%	15%	23%	17%
Don't Know	5%	4%	4%	4%	3%	4%

	2013	2014	Male	Female	18-34	35-44	45-54	55-64	65+
Yes	68%	79%	77%	80%	86%	78%	86%	73%	66%
No	27%	17%	18%	16%	12%	18%	10%	22%	27%
Don't Know	5%	4%	4%	4%	2%	4%	3%	5%	7%

Perceptions of Mobile Expenditure

In the context of Bermuda, where the cost of goods and services is generally higher than in North America or Europe, do you consider the price you are paying for mobile service to be [Expensive/ Reasonable/Cheap]:

- Seventy-seven percent (vs. 80% in 2013) believed that the price of mobile service in Bermuda is expensive.

	2013	2014	CellOne	Digicel
Expensive	80%	77%	79%	76%
Reasonable	18%	21%	21%	22%
Cheap	1%	0%	0%	1%
Volunteered: Don't Know	1%	1%	0%	2%

Mobile Service Call Substitution

Mobile Service Call Substitution – Text Messaging

How often do you consider that text messaging is a good substitute for mobile calls?

- The percentage believing text messaging to be a good substitute for mobile calls declined by 8 points, from 47% in 2013 to 39% in 2014.

	2013	2014	CellOne	Digicel
Always	21%	11%	12%	9%
Often	26%	28%	28%	29%
Sometimes	26%	38%	36%	40%
Rarely	17%	9%	9%	10%
Never	9%	11%	11%	11%
Don't Know	0%	2%	3%	1%

	2013	2014	Male	Female	18-34	35-44	45-54	55-64	65+
Always	21%	11%	11%	10%	15%	4%	7%	14%	15%
Often	26%	28%	31%	26%	31%	39%	34%	28%	6%
Sometimes	26%	38%	34%	41%	40%	38%	40%	38%	30%
Rarely	17%	9%	11%	8%	7%	13%	13%	9%	4%
Never	9%	11%	12%	11%	5%	5%	7%	8%	37%
Don't Know	0%	2%	1%	3%	2%	0%	0%	3%	7%

Mobile Service Call Substitution – Landline Calls

How often do you consider that landline calls are a good substitute for mobile calls?

- The percentage believing that landline calls are a good substitute for mobile calls declined by 7 points, from 44% in 2013 to 37% in 2014.

	2013	2014	CellOne	Digicel
Always	20%	19%	20%	16%
Often	24%	18%	18%	19%
Sometimes	40%	36%	33%	42%
Rarely	12%	12%	12%	13%
Never	5%	14%	16%	11%
Don't Know	0%	1%	1%	0%

	2013	2014	Male	Female	18-34	35-44	45-54	55-64	65+
Always	20%	19%	19%	18%	9%	4%	20%	25%	43%
Often	24%	18%	13%	23%	9%	19%	24%	25%	18%
Sometimes	40%	36%	35%	37%	35%	42%	40%	43%	22%
Rarely	12%	12%	14%	10%	21%	14%	10%	3%	3%
Never	5%	14%	19%	10%	25%	21%	6%	2%	10%
Don't Know	0%	1%	0%	1%	0%	0%	0%	2%	3%

Information on Mobile Service

Information Source for Mobile Service and Pricing

Where do you usually get information regarding mobile service and pricing? (Multiple responses accepted)

- Customer care (43% vs. 50% in 2013), advertisements (38% vs. 38% in 2013) and family and friends (38% vs. 35% in 2013) were the most popular outlets for obtaining information regarding mobile service and pricing.
- There was a significant decline in the percentage who recalled obtaining information from a provider website (26% vs. 47% in 2013).

	2013	2014	CellOne	Digicel
Provider's website	47%	26%	23%	29%
Advertisements	38%	38%	44%	30%
Customer care (in store/phone)	50%	43%	43%	43%
Family or friends	35%	38%	43%	31%
Do not search for this information	11%	12%	10%	15%
Don't Know	1%	0%	0%	0%

	2013	2014	Male	Female	18-34	35-44	45-54	55-64	65+
Provider's website	47%	26%	29%	23%	24%	38%	25%	27%	15%
Advertisements	38%	38%	38%	39%	58%	38%	38%	28%	19%
Customer care (in store/phone)	50%	43%	39%	45%	56%	51%	43%	32%	22%
Family or friends	35%	38%	38%	39%	49%	36%	37%	27%	38%
Do not search for this information	11%	12%	15%	10%	7%	6%	15%	10%	26%
Don't Know	1%	0%	0%	1%	0%	0%	0%	2%	0%

Ease of Selecting a Mobile Pricing Plan

On a scale of 1 to 5, with 5 being Very Easy and 1 being Not Very Easy, how easy is it to understand and choose a specific mobile pricing plan?

- Half of residents (vs. 44% in 2013) believed that it is easy to understand and choose a specific mobile pricing plan.

	2013	2014	CellOne	Digicel
TOP 2	***44%***	***50%***	***52%***	***48%***
5 - Very Easy	14%	25%	25%	27%
4	29%	25%	27%	20%
3	29%	25%	24%	26%
2	14%	10%	8%	13%
1 - Not Very Easy	10%	13%	14%	11%
Don't Know	3%	3%	2%	2%

	2013	2014	Male	Female	18-34	35-44	45-54	55-64	65+
TOP 2	***44%***	***50%***	***46%***	***53%***	***69%***	***53%***	***40%***	***38%***	***40%***
5 - Very Easy	14%	25%	24%	26%	36%	30%	13%	24%	19%
4	29%	25%	22%	27%	32%	22%	28%	14%	21%
3	29%	25%	25%	24%	23%	21%	30%	32%	18%
2	14%	10%	11%	9%	6%	13%	16%	16%	1%
1 - Not Very Easy	10%	13%	14%	12%	1%	13%	13%	11%	34%
Don't Know	3%	3%	3%	3%	2%	0%	1%	3%	6%

Importance Factors

Important Factors when Selecting a Mobile Provider

On a scale of 1 to 5, with 5 being Very Important and 1 being Very Unimportant, how important are the following factors when deciding upon a mobile service provider?

- Similar to 2013, the most important factors when deciding on a mobile service provider were good customer service (97% vs. 97% in 2013), call quality (94%, vs. 97% in 2013), and offers value for money (91%, vs. 97% in 2013).

	2013	2014
Good customer service	97%	97%
Call quality	97%	94%
Offers value for money	97%	91%
Good technical support	93%	91%
Network reliability	94%	90%
Island wide network coverage	93%	90%
Good selection of mobile phones	67%	70%
Length of service contract term	71%	65%
Is a Bermudian company	69%	59%
Is community oriented	69%	57%
Large overseas roaming network (ability to use my phone overseas)	55%	54%
Offers bundled packages	55%	45%

Satisfaction &
Likelihood of Switching

Satisfaction with Mobile Provider Attributes

On a scale of 1 to 5, with 5 being Very Satisfied and 1 being Very Unsatisfied, how satisfied are you with [your mobile service provider's] . . . ?

- Compared to 2013, average satisfaction with mobile provider attributes declined an average of 14 points, from 76% in 2013 to 62% in 2014).
- Residents were most satisfied with their Internet Service Provider's customer service (82%, 4 point decline).
- Overall CellOne Customers were most satisfied.

	2013	2014	CellOne	Digicel
Customer service	86%	82%	86%	75%
Call quality	90%	74%	76%	73%
Technical support	86%	73%	75%	71%
Island wide network coverage	79%	63%	61%	64%
Network reliability	86%	62%	62%	62%
Value for money	55%	49%	49%	49%
Overseas roaming coverage	53%	29%	28%	29%
Average Satisfaction	76%	62%	62%	60%

Number One Issue with Mobile Service

What is the number one issue that you have with your mobile service?

- Cost remained the top issue that residents have with their mobile service (35% vs. 52% in 2013).
- There were significant increases in the percentage of customers who mentioned dropped calls (12% vs. 6% in 2013), poor network coverage (11% vs. 6% in 2013) and slow mobile data speed (8% vs. 2% in 2013) as the number one issue with mobile service.

	2013	2014	CellOne	Digicel
Cost (too expensive)	52%	35%	37%	33%
Dropped calls (poor network quality)	6%	12%	15%	9%
Poor network coverage	6%	11%	8%	15%
Slow mobile data speed	2%	8%	8%	9%
Service contract terms	5%	4%	6%	2%
Poor customer service	4%	3%	3%	4%
Poor call quality	1%	2%	1%	3%
Lack of phone selection	0%	1%	0%	2%
Poor technical support	1%	1%	1%	0%
*Other	15%	15%	15%	16%
Don't Know	7%	7%	6%	7%

* Other responses: No issues (11%), Roaming issues/charges (2%), Data limits (1%), Unwanted text advertising (1%).

Dropped Calls

Do you experience dropped calls? If yes, how often?

- There was a 7 point increase in the percentage of customers who experience dropped calls, a few times a week or more frequently, from 22% in 2013 to 28% in 2014.

	2013	2014	CellOne	Digicel
More than once per day	4%	7%	8%	6%
Once per day	5%	4%	4%	4%
A few times per week	13%	17%	16%	19%
A few times per month	23%	25%	26%	26%
Less than once per month	25%	12%	12%	13%
I do not have dropped calls	30%	33%	34%	32%
Don’t Know	0%	1%	1%	1%

Likelihood to Switch with 20% Decrease in Cost

If the cost of your monthly mobile service could decrease by 20% if you switched to another provider, would you say that you . . .?

- Forty-nine percent said that they would be likely to switch providers if the price of their mobile service could decrease by 20%, a 5 point increase from 2013.

	2013	2014	CellOne	Digicel
TOP 2	***44%***	***49%***	***49%***	***48%***
Definitely will switch	24%	23%	25%	19%
Probably will switch	21%	26%	24%	29%
Might or might not switch	28%	23%	22%	25%
Probably will not switch	11%	15%	16%	14%
Definitely will not switch	6%	10%	10%	9%
Don’t Know	10%	3%	3%	3%

Likelihood to Switch with 20% Decrease in Cost Cont'd

Why would you not switch mobile service providers? (N = 171 responses)

- Being happy and loyal was the top reason for being unlikely to switch if the cost of monthly mobile service could decline by 20%.

	2014
Overall happy with my provider / Loyalty	52%
Depends on the service / Quality I would receive	15%
Too much hassle / Would not want to change my number	9%
Depends on the offer / Deal and what else is involved	8%
Depends on the price	6%
Do not like switching / Don't need to / Not interested	6%
Price is not the only issue	3%
Already have both	1%
Already switched	1%

Contract with Mobile Provider

Do you have a contract with your mobile service provider? If yes, what is the total contract period?

- Forty-three percent (compared to 39% in 2013) were in a contract with their mobile provider.
- CellOne customers were more likely to be in a contract than Digicel customers (46% vs. 36%).

	2013	2014	CellOne	Digicel
Yes – contract term less than 1 year	12%	10%	12%	8%
Yes – contract term 1 year or more but less than 2 years	16%	18%	18%	18%
Yes – contract term 2 years or more but less than 3 years	11%	14%	16%	10%
3 years and over	0%	1%	1%	0%
No	56%	56%	52%	63%
Don't Know	4%	2%	1%	1%

Switched in the Last Two Years

Have you switched mobile service providers in the past two years?

- Six percent (vs. 11% in 2013) had switched mobile service providers in the past two years.

	2013	2014	CellOne	Digicel
Yes	11%	6%	7%	4%
No	89%	94%	93%	96%

Difficult to Switch?

Do you think it is difficult to switch mobile service?

- Ten percent of residents believed that switching mobile service is difficult, an 8 point decline from the 2013 results.

	2013	2014	CellOne	Digicel
Yes	18%	10%	12%	8%
No	70%	77%	76%	78%
Don't Know	12%	13%	12%	13%

Why do you think it is difficult to switch mobile service? (N = 38, multiple responses accepted)

- Having a contract/termination fees (63%) was the top reason given by residents who deemed switching to be difficult.

	2014
Have a contract / termination fees	63%
Do not want to change my phone number	25%
My phone is locked to the network	4%
Cannot get network coverage at my home/office with another provider	6%
Customer service staff not helpful	6%
Volunteered: Don't Know	6%
*Other	18%
*Other Responses: Time consuming (8%); Hassle to switch (8%); I will not get the same package or plan with the competition (2%).	

Likelihood to Switch Providers in next 6 months

On a scale of 1 to 5, with 5 being Very Likely and 1 being Very Unlikely, how likely are you to switch mobile service providers in the next 6 months?

- Four percent (vs. 7% in 2013) were likely to switch providers in the next 6 months.

	2013	2014	CellOne	Digicel
TOP 2	***7%***	***4%***	***5%***	***4%***
5 - Very Likely	2%	2%	1%	3%
4	5%	2%	3%	1%
3	17%	13%	13%	12%
2	19%	11%	9%	14%
1 - Very Unlikely	50%	71%	73%	69%
Don't Know	7%	1%	0%	2%

Likelihood to Switch Providers in next 6 months Cont'd

Why do you say that you are [LIKELY/NOT LIKELY] to switch mobile service providers?

- Residents were **likely to switch** Internet service providers for a better offer, incentives or price (73%). *(N = 16 responses)*
- Residents were **not likely to switch** providers due to being happy with their current service provider (51%). *(N = 277 responses)*

Reasons likely to switch	2014
For a better offer, incentives & pricing	73%
Will switch when my contract finishes up	27%

Reasons unlikely to switch	2014
Satisfied with the service I receive	59%
Don't want to switch/ don't feel the need to switch/ no reason to switch	16%
Not likely to switch	5%
I have a contract / postpaid account and therefore cannot switch	4%
Too much hassle / don't want to switch my number	4%
Other companies are just as bad / have the same issues	4%
Company phone / family member pays the bill	3%
Already been with the other company and they are not better	3%
I receive better service & coverage compared to the other company	1%
Already have both	1%

Satisfaction with Mobile Service Provider

On a scale of 0 to 10, with 10 being Very Satisfied and 0 being Very Unsatisfied, how satisfied are you with your mobile service provider?

- Average satisfaction with mobile service providers was 7.59 out of 10, a .18 decline compared to 2013 (7.77).
- CellOne customers were more satisfied than Digicel customers (7.75 vs. 7.35).

	2013	2014	CellOne	Digicel
10 - Very Satisfied	7%	17%	19%	15%
9	18%	15%	17%	12%
8	40%	28%	27%	29%
7	23%	18%	19%	18%
6	6%	7%	5%	9%
5	4%	7%	7%	7%
4	1%	3%	3%	4%
3	0%	3%	1%	5%
2	0%	2%	2%	2%
1	0%	0%	0%	0%
0 - Very Dissatisfied	0%	0%	0%	0%
PROMOTERS	**25%**	**32%**	**36%**	**27%**
PASSIVES	**12%**	**22%**	**18%**	**27%**
NPS	**13%**	**10%**	**18%**	**0%**
MEAN	**7.77**	**7.59**	**7.75**	**7.35**

Suggestions for Improvement

What can your mobile service provider do to raise your rating to a 10 out of 10?

- The top suggestions for improving service included lowering costs (40%), improving coverage, call quality and reception (8%), and improving network coverage/quality (7%).

	2014
Lower costs	40%
Currently happy with the service	11%
Better coverage, call quality & reception	8%
Better network coverage/ quality	7%
Improve customer service / communication with customers	4%
Better data package / better data speed	4%
Improve bundles / Offer special promotions / Promotions more for seniors	3%
Do not make contracts mandatory / lower contract terms	3%
Ensure clients are on the right plan for them / Inform clients about new phones	1%
Stop sending text messages	1%
Don't Know / No Suggestions / Refused	18%

Likelihood to Recommend Mobile Service Provider

On a scale of 0 to 10, with 10 being Very Likely and 0 being Very Unlikely, how likely are you to recommend your mobile service provider to a friend or family member?

- Average score for likelihood of recommending providers declined by .22 points, from 7.57 to 7.35.
- CellOne customers were more likely to recommend their provider than were Digicel customers (7.51 vs. 7.13).

	2013	2014	CellOne	Digicel
10 - Very Likely	13%	20%	19%	21%
9	18%	14%	19%	7%
8	28%	19%	18%	21%
7	20%	15%	14%	16%
6	11%	8%	8%	8%
5	6%	14%	11%	18%
4	1%	4%	5%	2%
3	1%	4%	3%	5%
2	1%	1%	0%	2%
1	1%	1%	0%	1%
0 - Very Unlikely	0%	0%	0%	0%
PROMOTERS	**31%**	**34%**	**39%**	**28%**
DETRACTORS	**22%**	**31%**	**29%**	**35%**
NPS	**9%**	**3%**	**10%**	**-7%**
MEANS	**7.57**	**7.35**	**7.51**	**7.13**

Local Number Portability

Knowledge of Number Portability

Do you know what number portability is?

- ❑ Knowledge of number portability increased by 22 points, from 28% in 2013 to 50% in 2014.

	2013	2014	CellOne	Digicel
Yes	28%	50%	49%	52%
No	72%	50%	51%	48%

	2013	2014	Male	Female	18-34	35-44	45-54	55-64	65+
Yes	28%	50%	56%	46%	61%	57%	56%	47%	24%
No	72%	50%	44%	54%	39%	43%	44%	53%	76%

Likelihood to Switch with Number Portability

Number portability is the ability to keep your phone number when changing to another service provider. Number portability has been available since March 2014.

On a scale of 1 to 5, with 5 being Very Likely and 1 being Very Unlikely, how likely would you be to switch mobile service providers when number portability becomes available?

- Eighteen percent (vs. 20% in 2013) said that they would be likely to switch providers in light of number portability.

	2013	2014	CellOne	Digicel
TOP 2	***20%***	***18%***	***18%***	***19%***
5 – Very Likely	6%	8%	8%	8%
4	14%	10%	10%	10%
3	30%	12%	12%	12%
2	15%	14%	12%	17%
1 – Very Unlikely	29%	54%	56%	51%
Don't Know	7%	2%	2%	1%

Likelihood to Switch with Number Portability Cont'd

Why do you say that you are LIKELY / NOT LIKELY to switch providers?

- The top reasons for being **likely to switching** in light of number portability were receiving a better price or offer (48%) or because customers could retain their phone numbers (40%). *(N = 48 responses)*
- The top reason for being **unlikely to switch** in light of number portability was being happy with current service (44%). *(N = 243 responses)*

Reasons unlikely to switch	2014
Happy with the service I receive	44%
No Need / not likely / not interested	27%
Do not want to switch / don't think about it	7%
Depends on the best price & plan and offer	5%
Have a contract / corporate plan / family member deals with the phone	3%
Providers are all the same	3%
Too much hassle	3%
Looking at the options / unsure	2%
Already have both	1%
Reliability will not improve	1%
Don't Know/Refused/No Answer	5%

Reasons likely to switch	2014
If receive a better price or offer	48%
Because I can keep my number	40%
Will switch for better service or coverage	13%

New Mobile Service Provider

New Mobile Service Provider

On a scale of 1 to 5, with 5 being Completely Agree and 1 being Completely Disagree, how much do you agree with the following statements if a new mobile service provider were to enter the market?

- Consistent with 2013, over 8 in 10 (83% vs. 82% in 2013) are in favour of a new mobile service provider in Bermuda.

	2013	2014	CellOne	Digicel
A new provider would increase competition which would lead to lower prices	83%	82%	81%	83%
A new provider would force everyone to provide better quality service	79%	81%	79%	85%
A new provider would create confusion in the market	21%	17%	21%	12%
It is important to have a new provider to provide more choice in the market	78%	72%	74%	70%
I do not think Bermuda needs another mobile service provider	24%	26%	26%	25%

Thank You

Global Research would like to thank the Regulatory Authority for the opportunity to work on this very important research initiative

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