

CONSUMERLAB



# SMARTPHONE USAGE EXPERIENCE

The importance of network quality  
and its impact on user satisfaction

An Ericsson Consumer Insight Summary Report  
January 2013

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## METHODOLOGY

### Smartphone Usage Experience 2012

For the purpose of this report, Ericsson ConsumerLab conducted surveys across Finland, Switzerland and the Netherlands. Consumers were asked to discuss their perception of network quality, including current satisfaction levels and common problems encountered. From this, it was possible to assess the potential impact for operators.

The findings compare feedback from 3,000 smartphone users who took part in an online survey alongside the experiences of a further 500 smartphone users. These 500 users were provided with a tailor made app with which to log the nature and frequency of any issues encountered – and their reactions to these issues.

### ConsumerLab Analytical Platform 2012

To capture a more global perspective, Ericsson ConsumerLab's Analytical Platform was used, incorporating information from annual consumer surveys carried out in over 40 countries, including more than 100,000 interviews. The data used in this report represents a sample of the global population aged 16 to 60.

## ERICSSON CONSUMERLAB THE VOICE OF THE CONSUMER

Ericsson ConsumerLab has more than 15 years' experience of studying people's behaviors and values, including the way they act and think about ICT products and services. Ericsson ConsumerLab provides unique insights on market and consumer trends.

Ericsson ConsumerLab gains its knowledge through a global consumer research program based on interviews with 100,000 individuals each year, in more than 40 countries and 15 megacities – statistically representing the views of 1.1 billion people.

Both quantitative and qualitative methods are used, and hundreds of hours are spent with consumers from different cultures.

To be close to the market and consumers, Ericsson ConsumerLab has analysts in all regions where Ericsson is present, which gives a thorough global understanding of the ICT market and business models.

All ConsumerLab reports can be found at:  
[www.ericsson.com/consumerlab](http://www.ericsson.com/consumerlab)

# ALL DAY EVERY DAY

Having access to an internet connection has become an integrated part of everyday life. Each day, around 40 percent of smartphone owners use their smartphones before they have even got out of bed. On the morning commute, data usage peaks at nearly 70 percent and remains high throughout the day, with users accessing the network in short and frequent bursts.

Many services and apps are based in the cloud, which means that ensuring high quality internet access is not just an advantage – it's a necessity. Users who experience regular issues will quickly lose patience, become annoyed and start to search for better alternatives.



40  
PERCENT

of smartphone owners use their smartphones before getting out of bed



On the morning commute, 70 percent of users use data

## KEY FINDINGS

- > **Access is essential** – users depend on having access to a good internet connection. Without a good connection, the value of owning a smartphone is lost. Users want to be able to use their smartphones and apps regardless of time or place.
- > **Issues are common** – a majority of users experience regular glitches, the most common being internet connection issues, app/service crashes and slow speeds.
- > **Reliability is valued** – broad coverage where needed and a fast and reliable network are very important – these are the strongest drivers of network satisfaction.
- > **Satisfaction means loyalty** – ensuring a high level of network satisfaction is crucial, and a great way to generate good word of mouth and increase customer loyalty.
- > **Quality should exceed expectations** – to really stand out from the competition, operators need to deliver an experience that exceeds users' current expectations. To do this they must deliver a high quality of experience across all services and applications, in any situation, and for all devices.
- > **Satisfaction scores higher** – users who are very satisfied with the performance of their network have a positive effect on the Net Promoter Score.



# WHERE WE ARE NOW

## Current satisfaction levels

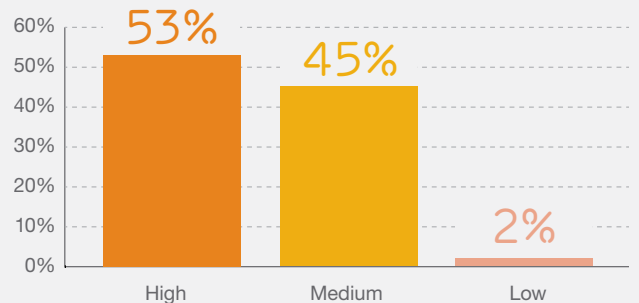
In the world of consumers, customer satisfaction is closely linked with brand perception. The total consumer experience is made up of many parts, with loyalty building, service & support, account management, billing & payment and the initial purchase process each playing a formative role. This study has a specific focus on the role that network quality has to play in this equation.

Figure 1 shows the proportion of users who are satisfied with their current network. The results demonstrate that just over half of all users would describe themselves as very satisfied, with very few reporting themselves as particularly dissatisfied. This leaves 45 percent remaining who do not feel strongly either way. This poses a clear challenge, and an opportunity for operators to significantly increase their numbers of satisfied users, and therefore the strength of their brand.

Across the world, there is notable variation in levels of user satisfaction with mobile operators. Speed of the mobile network is considered one of the most important factors for ensuring a high level of satisfaction, and yet as Figure 2 shows, this is the parameter with the lowest level of satisfaction overall. Only 29 percent of respondents globally claimed to be satisfied with their network speed. However, if you take the UK as a separate entity this figure actually rises to 40 percent, with India, Japan, Germany and Brazil showing the lowest levels of satisfaction with network speed.

Overall, China, Germany and Japan have below average levels of satisfaction with their operators generally. Brazil, India, Italy and Russia each have higher than average levels of satisfaction, on the whole. It should be noted that these figures are based on local conditions and what users in these regions have come to expect. This will have an impact on how satisfied people are compared to their peers from less developed countries.

Figure 1: Network satisfaction levels



Source: Ericsson ConsumerLab, Smartphone Usage Experience 2012  
Study base: Smartphone users in the Netherlands, Finland and Switzerland

## Room for improvement

According to our results across Finland, Switzerland and the Netherlands, nearly everyone has at some point experienced difficulties with attempting to use apps or accessing the internet using their smartphone. For the most part these problems are minor, and users understand that they are bound to occur from time to time.

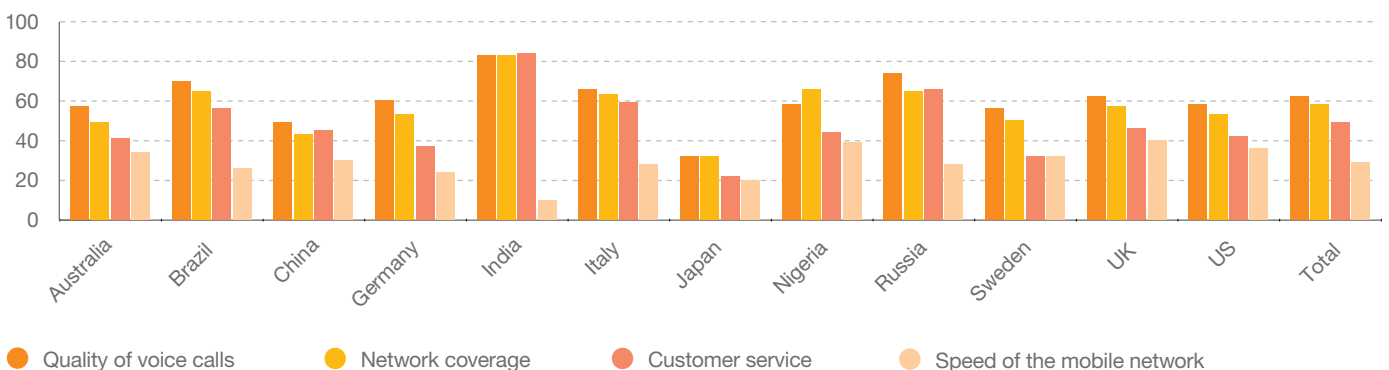
But for almost half of all smartphone users these issues are at best a weekly occurrence, with 16 percent experiencing them daily. Often it can be the same issue that comes up again and again. When problems start to happen on a regular basis, users find this less excusable and begin to view them as irritations.

Frequency of use also has an effect on the regularity of disturbances, as heavier users are more likely to encounter them simply by spending more time on their smartphones.

In general, the perception is that glitches are unavoidable from time to time. However, most expect to see an improvement in the future as technology develops.

Figure 2: Global mobile operator satisfaction levels

Source: Ericsson ConsumerLab, Analytical Platform 2012  
Study base: Mobile phone users



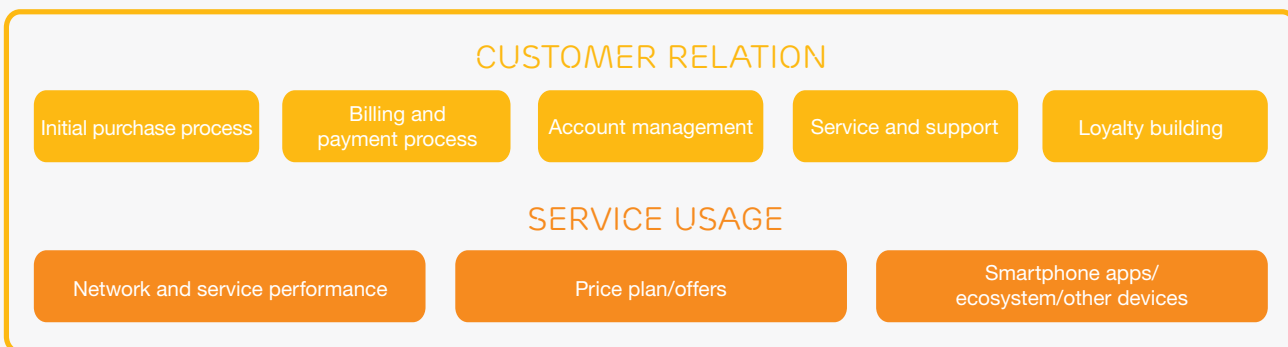
# WHAT MAKES A GOOD EXPERIENCE?



QUALITY IS HAVING ACCESS TO THE NETWORK ANYTIME, ANYWHERE. THE PROVIDER IS RESPONSIBLE FOR THIS.”

Consumer voice

Figure 3: Elements that make up the consumer experience



Source: Ericsson ConsumerLab 2012

## What users want

The ingredients for a good quality experience can be summarized in four words: convenience, immediacy, simplicity and reliability. Users want a service that is efficient, predictable and easy to use. Factors contributing to a poor quality experience include lengthy loading times, no access, crashing, slowing down, poor battery life or anything potentially complicated or confusing.

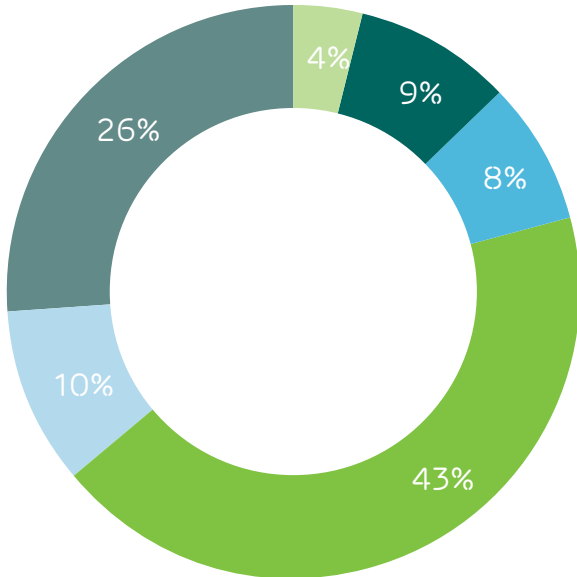
## Creating an optimal experience

It is not enough to focus on network quality alone. Service providers need to examine their entire operations in order to provide a truly optimal experience.

Figure 3 shows the key elements that make up the user experience as a whole, in addition to network and service performance.

# GETTING TO THE ROOT OF THE PROBLEM

Figure 4: Services causing problems in Finland



- Listening to music/radio/sound
- Messaging, chatting or emailing
- Watching video (streaming)
- Visiting a web page/social network
- Downloading or uploading a file (e.g. app, video/music clip or document)
- Other (e.g. voice, banking, gaming, etc.)

Source: Ericsson ConsumerLab, Smartphone Usage Experience 2012  
Study base: Smartphone users in Finland

## Services causing the most complications

Figure 4 shows the services generally causing the most problems, according to our app-based findings in Finland. Web browsing and use of social networks received the most reports, followed by file upload/download, messaging and video.

Of the complaints received due to web browsing issues, nearly 30 percent were due to slow loading times. A further 18 percent found that the page did not fully load, 13 percent couldn't connect to the web page and 10 percent could not connect to the internet at all.



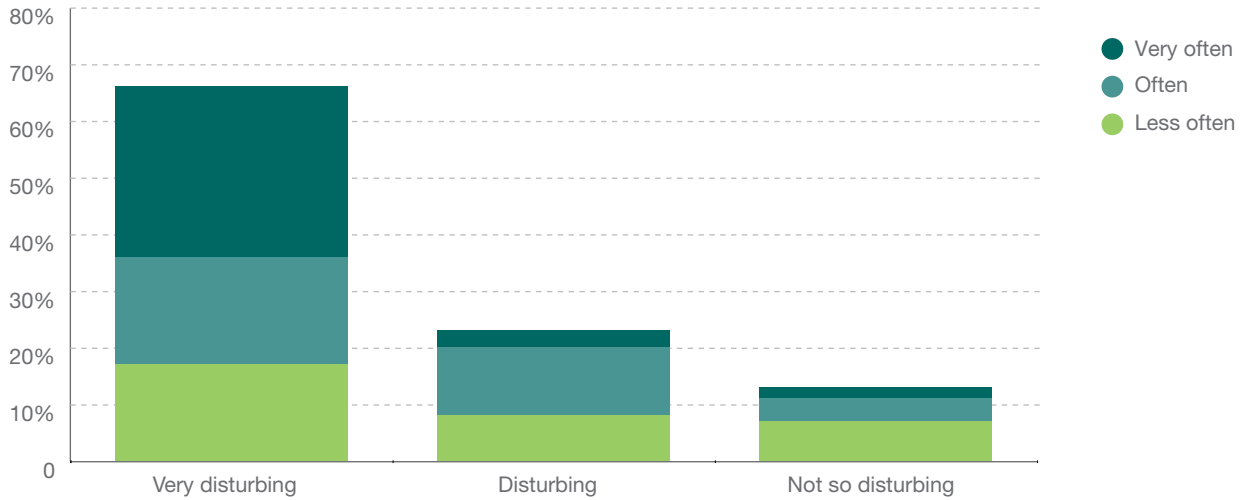
## Smartphone usage pain points

Issues considered the most frustrating for users include poor internet connection, app crashes and slow speeds. This frustration stems from the desire to be constantly connected, as discussed on page 3. On the other hand, the successful aversion of these three issues can play a significant role in improving the user experience, as well as increasing data consumption among light and frequent users.



# EASING FRUSTRATION

Figure 5: How users perceive problems



Source: Ericsson ConsumerLab, Smartphone Usage Experience 2012  
 Study base: Smartphone users in the Netherlands, Finland and Switzerland

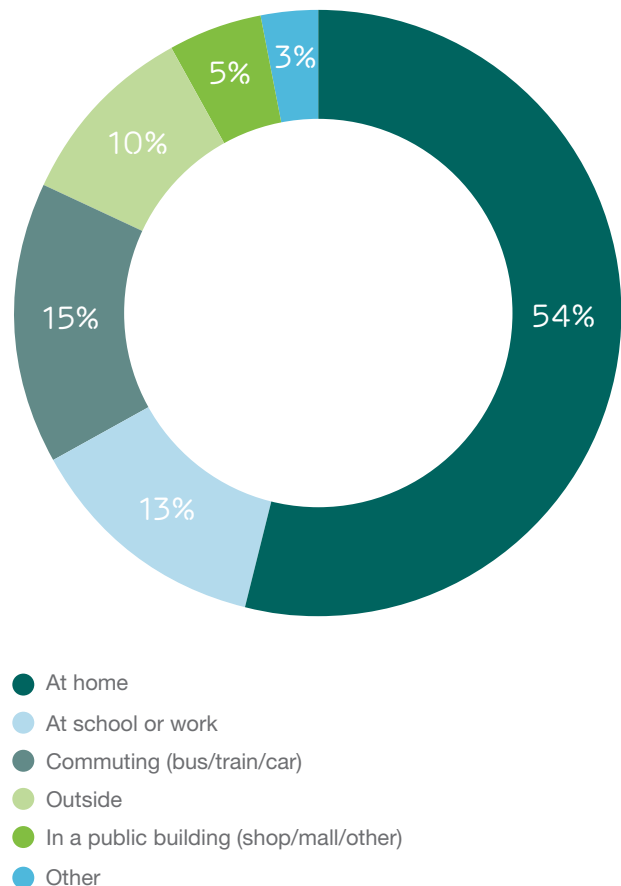
## A case of inconvenience x frequency

In general, users consider most problems to be minor. However, when they actually occur they can be viewed as quite disturbing. Figure 5 shows the level of personal disturbance users perceive to be caused by connectivity issues in the moment. Two thirds of all problems are considered 'very disturbing', of which 30 percent occur frequently. In other words, 1 in 3 problems are both disturbing and regularly encountered.

However, not all issues are equal. Among all problems users are experiencing, the most frustrating ones are internet connection issues, app crashes and slow speed. This resonates with the need to be constantly connected and have a great experience while using the smartphone. Interestingly enough it is the same issues – faster connection, better coverage and better battery life – which are the most important drivers for encouraging light and frequent users to use more data.

Figure 6 indicates that more than half of the issues experienced with the network occur at home, with a further 30 percent taking place outside, at work or on the commute. This could be due to the fact that people simply spend more time at home using smartphones compared to the rest of the day.

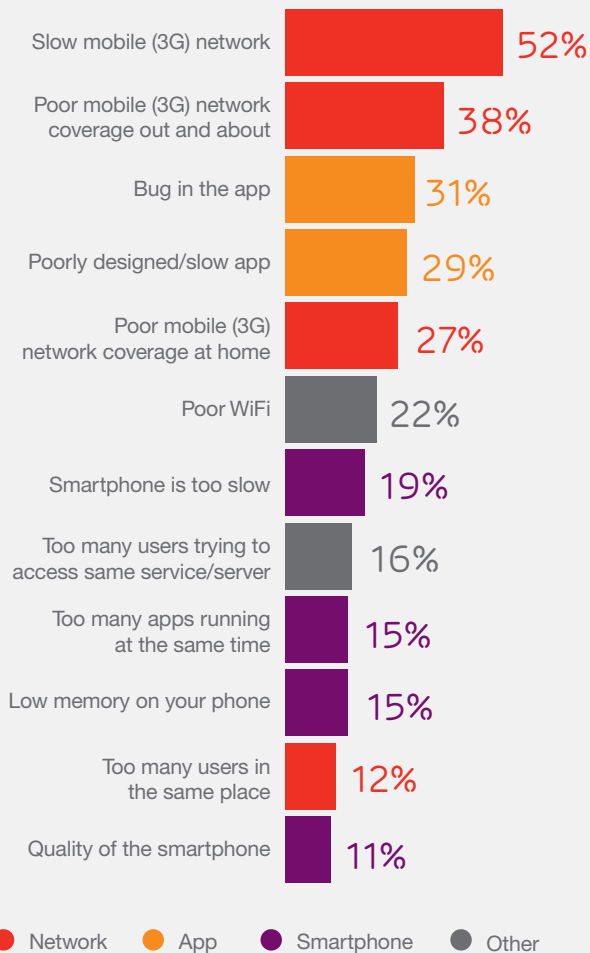
Figure 6: Problems according to location



Source: Ericsson ConsumerLab, Smartphone Usage Experience 2012  
 Study base: Smartphone users in the Netherlands, Finland and Switzerland

# THE BLAME GAME

Figure 7: Main contributors to usage problems



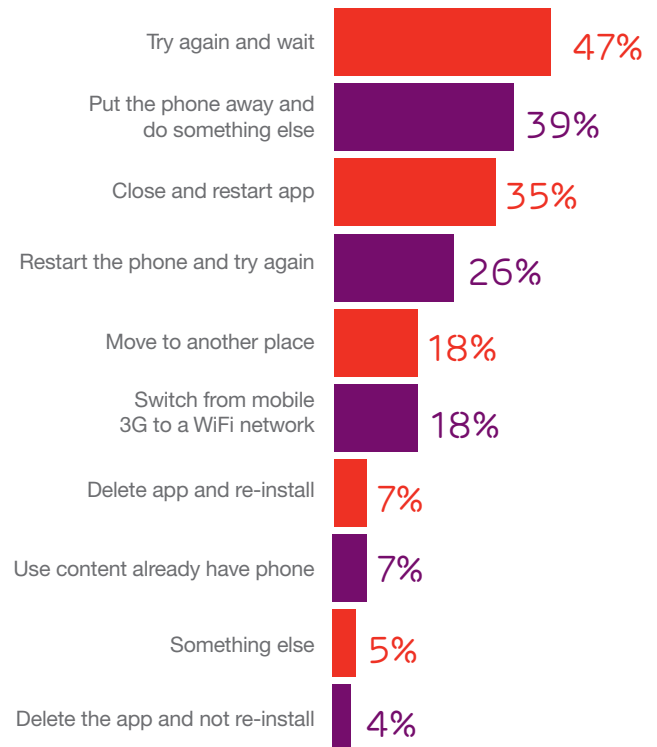
Source: Ericsson ConsumerLab, Smartphone Usage Experience 2012  
Study base: Smartphone users in the Netherlands, Finland and Switzerland

## Identifying the main contributors

In the eyes of the user, most connectivity issues tend to be associated with the operator. If these problems occur more regularly than once a week then overall satisfaction with the operator is likely to deteriorate – even if the problem is not related.

Figure 7 shows what users believe to be the main contributors to usage problems. A slow network is one of the main contributors, along with poor coverage and app malfunctions. Slow or low memory smartphones are also contributors, and yet interestingly in the case of iPhone users, only 2 percent blamed the handset for their usage issues.

Figure 8: Action taken when problems are encountered



Source: Ericsson ConsumerLab, Smartphone Usage Experience 2012  
Study base: Smartphone users in the Netherlands, Finland and Switzerland



**39%** of smartphone users will put their phones away if a problem is encountered

## Actions taken when encountering problems

Figure 8 shows the typical action taken in response to connectivity problems. Many will be patient and either try again, or wait for the network or device to load. Nearly 40 percent will put their phones away, along with a further 7 percent who will switch to content already on their phones. This adds up to roughly half of all problems leading to loss of network use. Very few users will take action that results in removing the application altogether.



# ACHIEVING NETWORK SATISFACTION



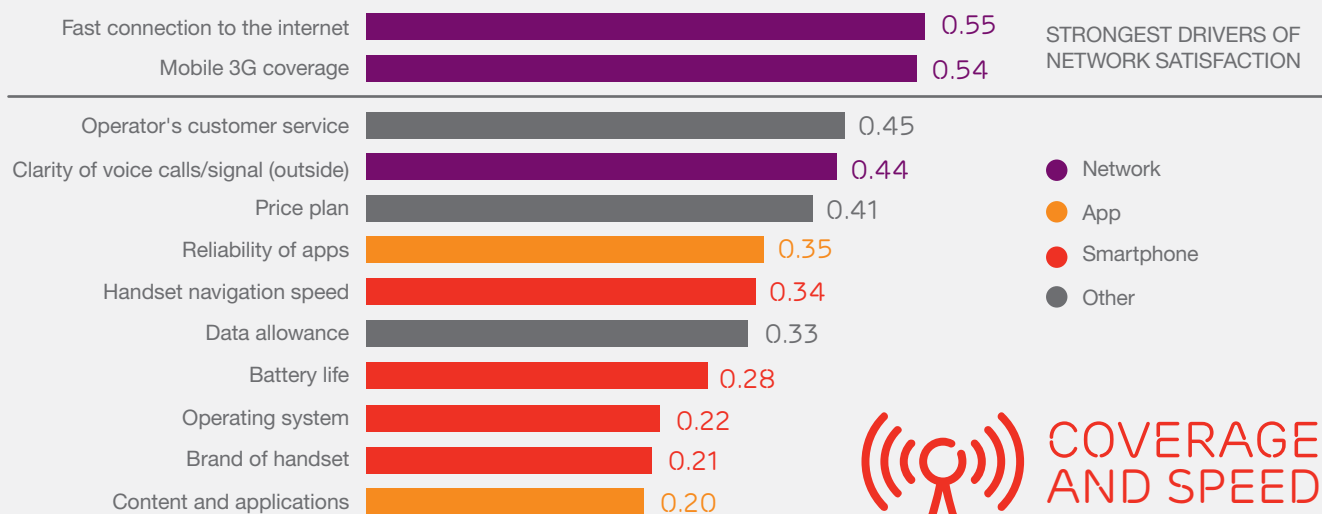
## The formula for satisfied users

We have already seen that overall, users are fairly satisfied with their network operators. But there is still a lot of room for improvement. Figure 9 shows the correlation between individual factors and network satisfaction. From this, it is possible to observe that coverage and speed are the key areas for driving satisfaction. For an operator to really stand out, they must be able to provide high quality data services combined with an excellent 3G or 4G network that offers broad coverage and a reliable connection to the internet.

In many ways, you could argue that reliability is of greater importance than speed. If an adequate minimum speed could be guaranteed in all areas, it is very likely that satisfaction would increase. To achieve a reliable network, operators should identify the weakest points and make an effort to improve in these areas, rather than increasing speeds in areas that already have a reliable connection.

Factors such as clarity of voice calls, price plan and customer service are considered basic prerequisites for any network. Other factors of lesser importance include battery life, operating system and the model and brand of the handset. These factors are certainly of importance to a smartphone user, but have a negligible impact on network satisfaction.

Figure 9: Drivers of network satisfaction



Source: Ericsson ConsumerLab, Smartphone Usage Experience 2012  
Study base: Smartphone users in the Netherlands, Finland and Switzerland

**COVERAGE AND SPEED**  
are the fundamentals for driving network satisfaction

# THE WOW FACTOR

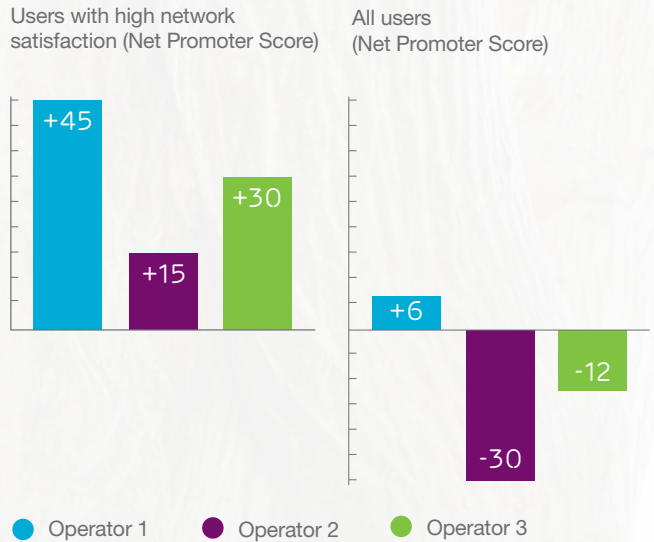
## Generating recommendations

While most customers are generally satisfied, many operators are not doing enough to create the exceptional experience necessary to generate good recommendations from their existing customers. This has an impact on the number of new customers the operator is likely to attract.

Figure 10 shows the impact of network satisfaction on a user's inclination to recommend their operator. The Net Promoter Score provides an overall measure of how likely a brand is to be promoted by its existing customers. In order to improve the Net Promoter Score, operators must find ways to improve network satisfaction among its existing customers. Users with a high level of network satisfaction are more likely to become promoters and spread good word of mouth. These users are also more likely to remain loyal to their operators.

Those with low to medium network satisfaction are very unlikely to recommend their operator to others. Even if they are relatively satisfied, it takes the wow factor to inspire people to want to actively promote their operator. In this sense they can be termed as 'detractors' – as lack of positive feedback can be interpreted as negative.

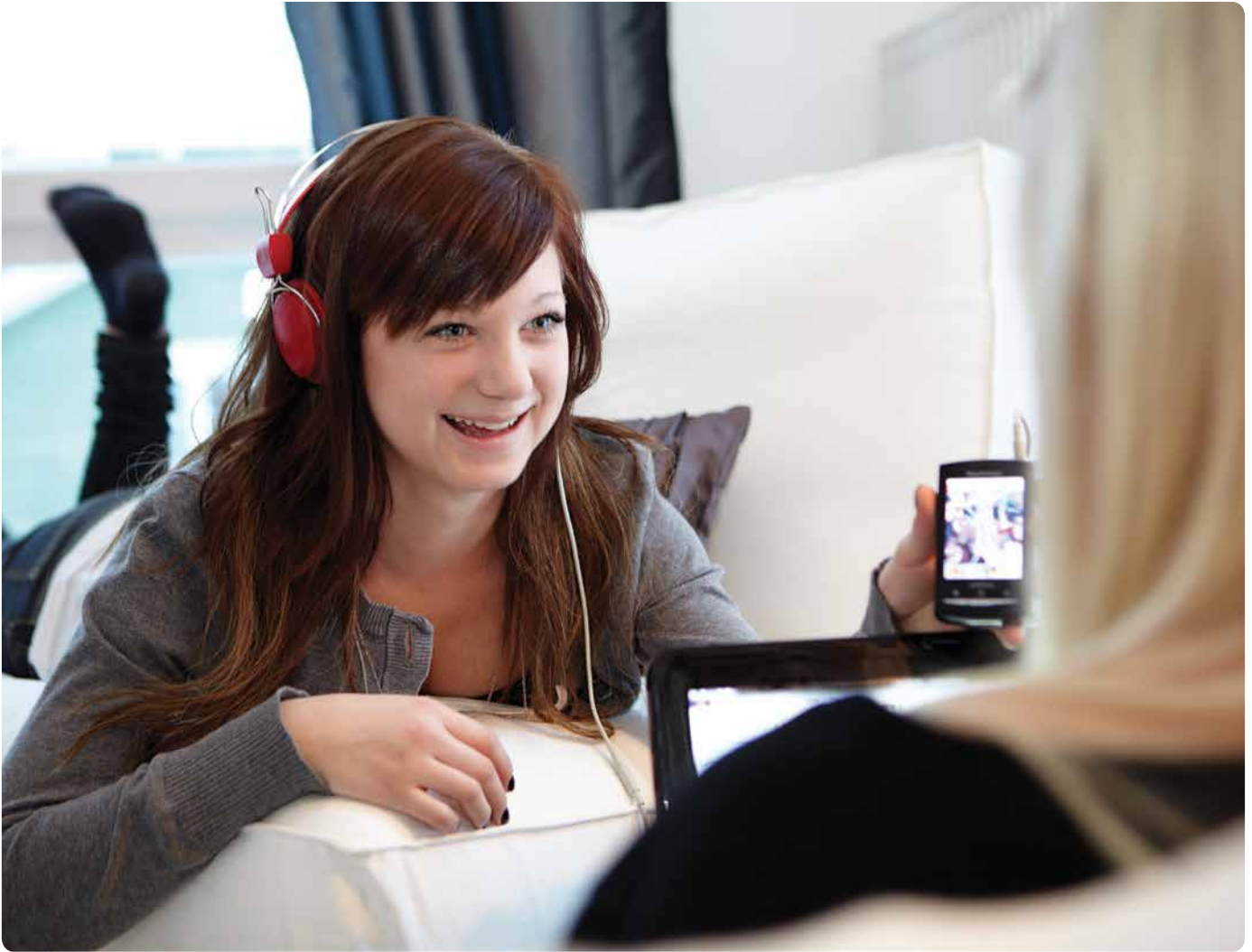
Figure 10: Potential impact of network satisfaction on Net Promoter Score (Users with high Net Promoter Score vs average score for all users)



Source: Ericsson ConsumerLab, Smartphone Usage Experience 2012  
Study base: Smartphone users in one of the studied markets. Brand of operators undisclosed



Users with a high level of network satisfaction are more likely to remain loyal to their operators.



# SPREAD THE WORD

## Look after your existing customers – and they'll look after you.

Looking ahead, it is going to become more and more important for operators to focus on retaining and pleasing their existing customers rather than acquiring new ones. For this to happen, these existing customers must be highly satisfied with their current service. Of those questioned, 80 percent who claimed high network satisfaction said that they planned to stay with their current operator, compared to just 53 percent

of those with medium network satisfaction. By moving as many users as possible from medium to high levels of satisfaction, operators can improve the likelihood of retaining customers by 50 percent.

Furthermore, it is crucially only highly satisfied users who will act as promoters and begin to generate good word of mouth – thereby increasing the likelihood of attracting new customers. In this way, increasing network satisfaction can have a significant impact on an operator's Net Promoter Score.

Figure 11: Loyalty to current operator



**80%**  
USERS WITH HIGH  
NETWORK SATISFACTION



**53%**  
USERS WITH MEDIUM  
NETWORK SATISFACTION

Source: Ericsson ConsumerLab, Smartphone Usage Experience 2012. Study base: Smartphone users in the Netherlands, Finland and Switzerland

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Our offering comprises services, software and infrastructure within Information and Communications Technology for telecom operators and other industries. Today more than 40 percent of the world's mobile traffic goes through Ericsson networks and we support customers' networks servicing more than 2.5 billion subscribers.

We operate in 180 countries and employ more than 100,000 people. Founded in 1876, Ericsson is headquartered in Stockholm, Sweden. In 2011 the company had revenues of SEK 226.9 billion (USD 35.0 billion). Ericsson is listed on NASDAQ OMX, Stockholm and NASDAQ, New York stock exchanges.

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