Apps: How to realize their full value

Telco SEA & PK Exec Summary

Research overview

Apps: How to realize their full value

Research coverage
5 markets with 40 Telcos

- Indonesia - 11 telco apps
- Thailand - 9 telco apps
- Singapore - 9 telco apps
- Pakistan - 4 telco apps
- Vietnam - 7 telco apps

Methodology
Qualitative and Quantitative

Part of a larger consumer research conducted among mobile app users covering Retail, Telco, and Finance verticals

- Singapore, Thailand, Pakistan, Vietnam - 1000 interviews each
- Indonesia - 2000 interviews

Research partners
Kantar and Sixth Factor

KANTAR
(Quantitative)

SIXTH FACTOR
(Qualitative)

Source: Google commissioned Kantar "apps: How to realize their full value" Research: ID/TH/SG/PK Telco
Base: n=1652 online respondents aged 18 to 64, ID/TH Fieldwork 26/11/20-04/12/20 | SG Fieldwork 07/01/21-21/01/21 | VT Fieldwork 02/08/21 - 05/08/21 | PK offline Fieldwork 11/12/20-16/01/21 n=377

Telco apps covered in this study

	Indonesia	Thailand	Singapore	Pakistan	Vietnam
Main apps	myTelkomsel myXL / myXLprio myIM3 by.U MPWR LiveOn Switch Mobile bimatri mySmartfren AXISnet	myAIS True iService MyCAT DTAC TOTmobile FINN Mobile I-Kool Penguin Gomo Thailand	Singtel StarHub Gomo Starhub Giga	Jazz World My Telenor My Zong My Ufone	My Viettel: Tích điểm Đổi quà My Viettel: Nạp thẻ My Viettel: Tra cước My Mobifone My VNPT Hi FPT Bima - MyVietnamobile
Stretch apps			Singtel Dash Singtel Cast Starhub TV+ HungryGowhere HOOQ		

Definitions used in this report

Main Telco apps	An app from a telco provider that provides the main functionality expected from a telco app (i.e. checking data, top-ups)
Stretch apps	An app from a telco provider that stretches into other categories such as entertainment, music, video, etc.
Onboarding	A point in the consumer app journey, when a user has installed an app and used it for the first time

Apps are a crucial channel to invest in due to strong brand engagement and advantages they offer, especially in a pandemic

App usage has become the norm, with Telcos competing for attention, app usage and loyalty.

- An average customer has **2 telco** apps installed[1]
- **67%** of app users prefer to engage with brands through apps compared to other channels[3]

App awareness is high; yet apps remain dormant. Telcos need to move beyond install, and **drive app onboarding and re-engagement**

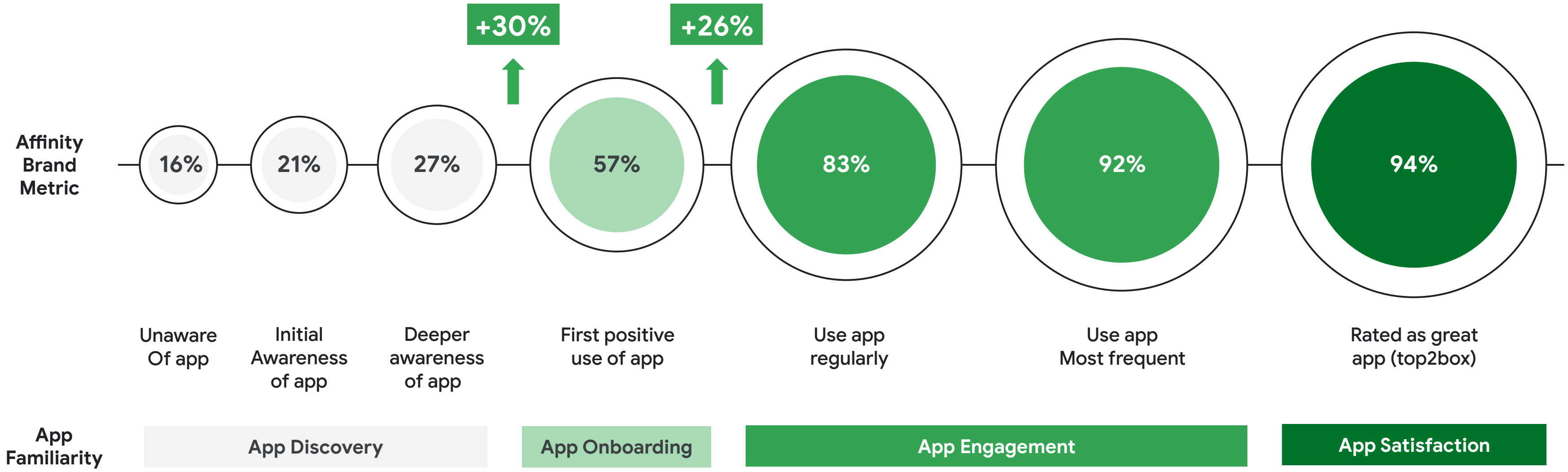
- Main telco apps have an average of **92% awareness** across the region[1]
- **31%** of app users have **unused main telco apps** installed[1]

While apps are widely used, there is an opportunity for telcos to **improve the quality of their apps.**

- Telcos have headroom to improve their apps' satisfaction - **45% rate main telco apps highly**[2].

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
[1] Question: How familiar are you with each of these Telco apps? Base: Total sample, n=2029
[2] Question: When you take into account everything you look for in a Telco app, how do you rate each of the following apps? 10pt scale. Base: App user, n=3766 responses
[3] Question: Which would be your preferred way to engage with Telco brands? Base: Total sample, n=2029

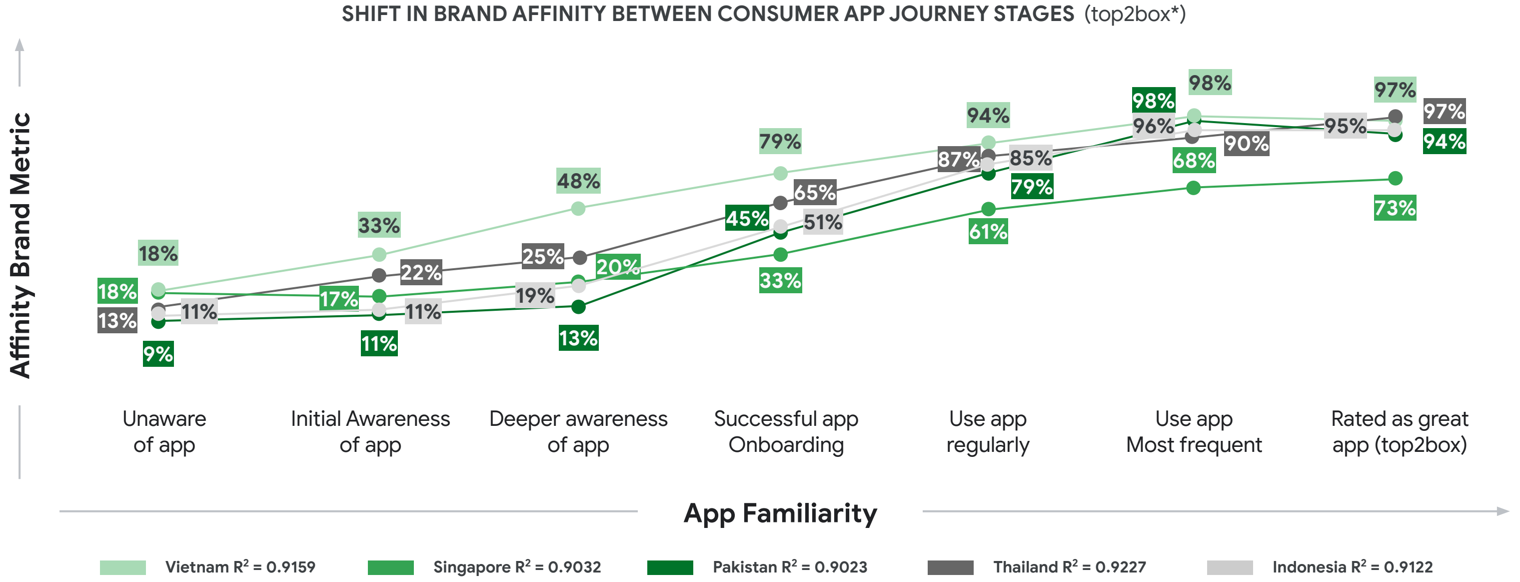
Telcos need to think beyond awareness and install. Focus on onboarding and re-engagement, where the impact on affinity is highest



Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
Question: How familiar are you with each of these retail/e-commerce apps? Base: Total sample, n=2029
Question: How do you feel about about each of these brands? 7pt scale. Base: Total sample, n=2029

A high performing and regularly used app strongly correlates with positive brand affinity

The App Landscape

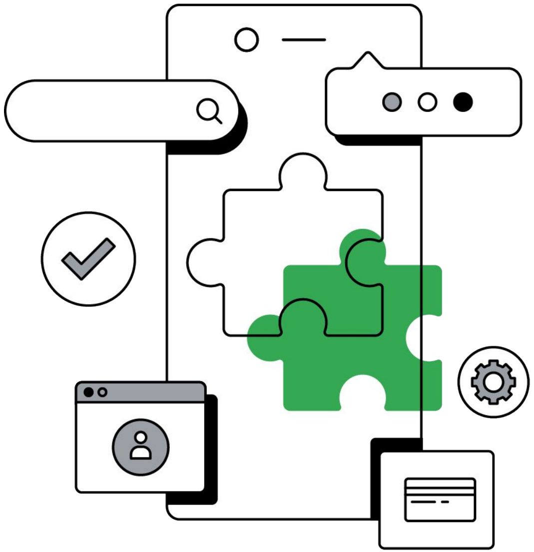


Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
Question: How familiar are you with each of these Telco apps? Base: Total sample, n=2029
Question: How do you feel about about each of these brands? 7pt scale. Base: Total sample, n=2029

Successful onboarding is key

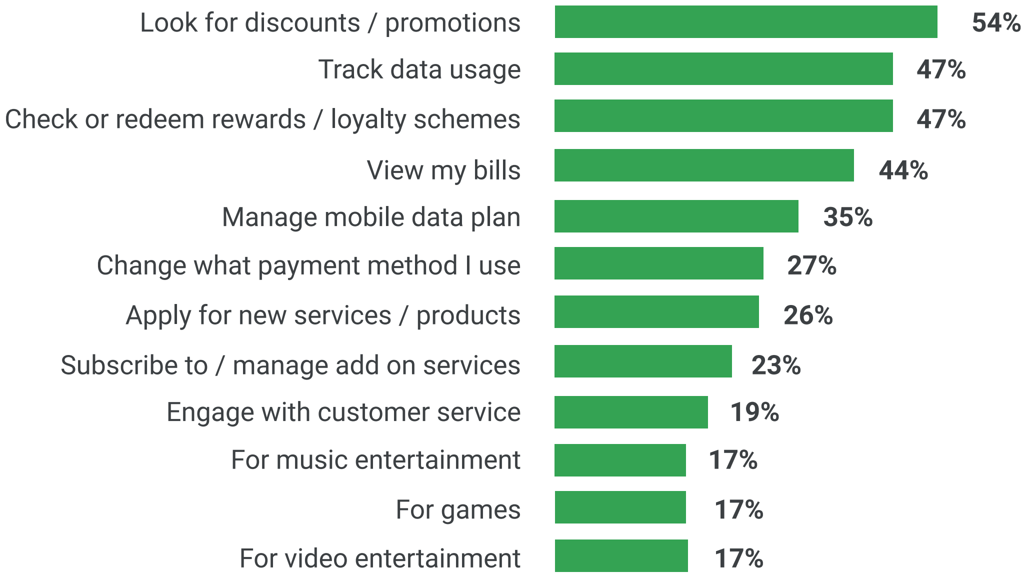
“ After downloading and using the app – it improved my impression of the telco a lot, it’s providing convenience and ease to the customer.

- Pakistan app user



Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
Question: How familiar are you with each of these Telco apps? Base: Total sample, n=2029
Question: How do you feel about about each of these brands? 7pt scale. Base: Total sample, n=2029

Telco apps are predominantly used for plan management and deal hunting, hence it is currently used as more of a utility app



Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
Question: What activities do you regularly perform when you use Telco apps? Total sample, n=2029

Four elements to enable Telcos to realize the full value of apps

01

Why do Telco apps matter?

02

How do prepaid and postpaid users differ?

03

How can Telcos elevate engagement and satisfaction within apps?

04

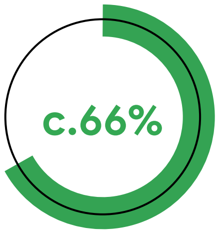
What does the future hold for Telco apps?

Telco apps provide numerous benefits to telcos from consumer engagement to brand affinity to brand advocacy

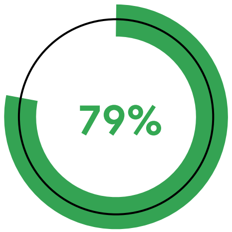
01

Why do Telco apps matter?

Most consumers across the region have at least one main telco app installed, but the total number of apps varies across markets



of APAC consumers have at least one telco app installed**



of recent brand users are using the respective **main** telco app[1]

**Excludes Pakistan data due to offline methodology

Main telco apps installed on average

3	3	2	1	2
70%	62%	55%	26%	52%

*Among Telco apps covered in this research

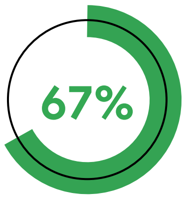
“ I use a dual sim phone, one for [Telco A] one for [Telco B]. Because everyone saved my [Telco A] number. But [Telco B] is cheaper because of the data bundling. So I also have both telco apps.

- Indonesia heavy app user

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
[1] Question: How familiar are you with each of these Telco apps? Base: Total sample, n=2029

Why do Telco apps matter? 1

Apps are a crucial channel for telcos to engage with consumers as majority of app users prefer to engage with telcos via apps



of app users prefer to engage with telcos through apps[1]

76%	52%	56%	88%	61%

71% Prepaid | **58%** Postpaid

Main reasons for preference[2]

58% I find it **easier**

52% Can do it from **anywhere**

54% I find it **quicker**

51% Can do it **anytime**

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
[1] Question: Which would be your preferred way to engage with Telco brands? Base: Total sample, n=2029
[2] Question: You said you would prefer to engage with Telco brands via apps. Why is this? Base: Prefer to engage via an app, n=1396

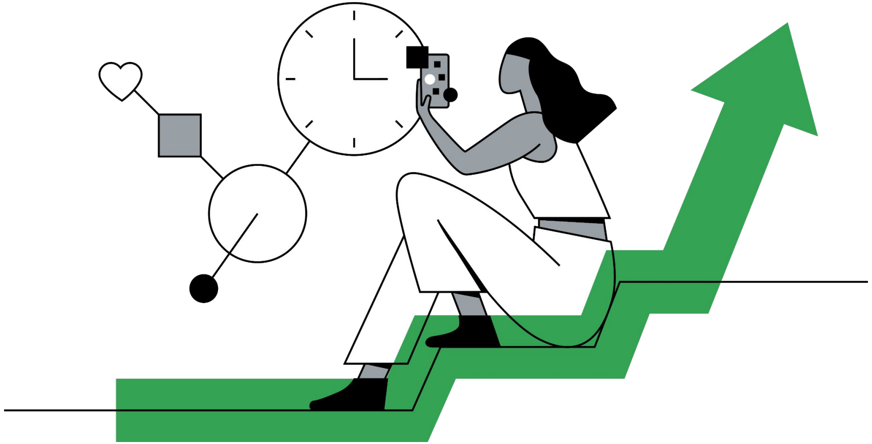
Consumers value the convenience and ease of using an app to conduct telco-related activities

“ When this app wasn’t there, there were a lot of problems. If the card ended, you had to go to the market, sometimes there were no packages available, or the shop had closed.

- Pakistan app user

“ Previously, I had to go to the store, fill in the phone number and use a scratch card to top up my credits. I lost track of the credits because it was so confusing to call and check. It’s much easier now with the app.

- Indonesia heavy app user



Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
[1] Question: Which would be your preferred way to engage with Telco brands? Base: Total sample, n=2029
[2] Question: You said you would prefer to engage with Telco brands via apps. Why is this? Base: Prefer to engage via an app, n=1396

There is an opportunity for growth as app users understand the convenience of apps but some currently prefer in-person interaction

77% of app users agree that **"apps are more convenient than going in-store"**

Yet a small group still prefer to interact with telco brands vis in-person interactions...

8%	34%	28%	3%	23%

prefer speaking to employees[1]

15% Prepaid | **26%** Postpaid

The in-person preference is more likely to come from postpaid users and is driven by:

- desire to ask about specific issues / offers / services [2]
- perception staff offer better, more relevant offers than on the app
- poor experiences with chatbots

Telcos can bring the positive elements of in-person interactions to the app to enhance convenience even further:

- providing details of all offers and functions available
- better customer service such as live chats (not chatbots)

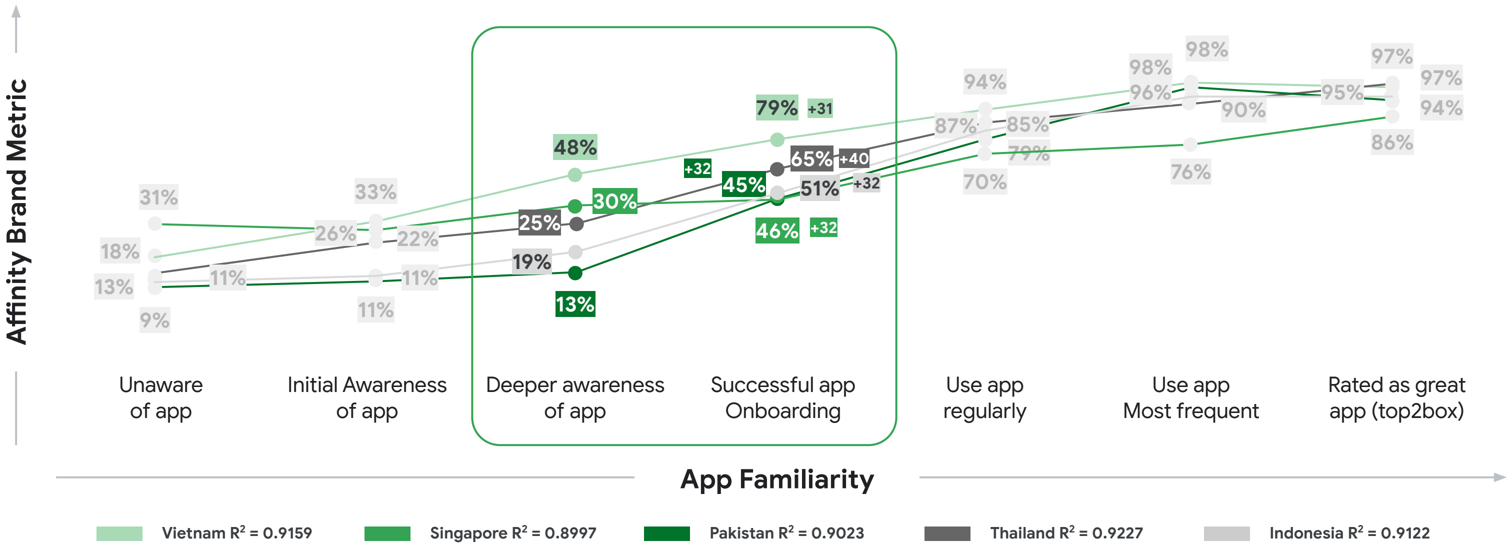
" I checked the list of offers on the telco app. But when I go to the shop, sometimes there's something cheaper or they have some promotion.

- Thailand heavy app user

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
[1] Question: Which would be your preferred way to engage with telco & mobile brands? Base: Total sample, n=2029
[2] Question: You said you would prefer to engage with telco & mobile brands in person / on the phone. Why is this? Base: Among preferred in person engagement, n=336

Successful onboarding is a critical stage for building brand affinity - and should be a focus for all Telcos

SHIFT IN BRAND AFFINITY BETWEEN CONSUMER APP JOURNEY STAGES (top2box*)



Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
Question: How familiar are you with each of these Telco apps? Base: Total sample, n=2029
Question: How do you feel about about each of these brands? 7pt scale. Base: Total sample, n=2029

There is a significant shift in brand affinity once users onboard onto an app in postpaid markets such as Thailand and Singapore

Shift In Brand Affinity At Onboarding (top2box*)		
Average Uplift at Onboarding	SG	TH
Telco	+16	+40
Retail	+21	+28
Finance	+19	+41

Telcos in Thailand and Singapore have made it easy for consumers to onboard onto the app through:

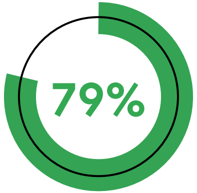
- **Pre-installed apps,** as postpaid plans normally come bundled with a new phone
- **Automatic login and registration,** after connecting to the telco network

"My [Telco A] app was pre-downloaded on the new phone that came with my contract - not bad, no need to do the SMS thing any more so it's more convenient.

- **Singapore light app user**

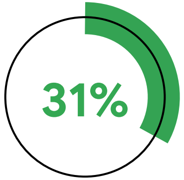
Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
Question: How familiar are you with each of these Telco apps? Base: Total sample, n=2029
Question: How do you feel about about each of these brands? 7pt scale. Base: Total sample, n=2029

Further onboarding can be encouraged; 1 in 5 are not using the app of a recent brand and 1 in 3 have dormant apps



of recent brand users are using the respective **main** telco app*[1]

73% 97% 64% 96% 65%



have at least one main telco app **installed but not used**[1]

34% 26% 42% 22% 29%

30% Prepaid | 32% Postpaid

*Among Telco apps covered in this research.

Promoting install with a focus on **onboarding** is crucial as the highest improvement in brand affinity scores occur when a user successfully oboards.

App usage and dormancy appears to be a particular issue in Singapore (perhaps due to apps being pre-installed on new phones)

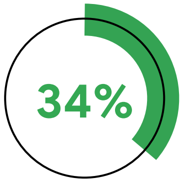
“ I got a QR code message, saying that I can scan to receive better discounts, so I downloaded the app, installed and scanned the QR code, then I topped up and received the discount. Then I realized it’s so easy.

- Vietnam light app user

Source: Google commissioned Kantar "apps: How to realize their full value" Research - 2021 Telco
[1] Question: How familiar are you with each of these Telco apps? Base: Total sample, n=2029

There is more competition for telcos with apps in other verticals providing similar functionality

Top Reasons for App Dormancy



prefer **another app** with a similar function[1]

26% 40% 38% 23% 43%

33% Prepaid | 37% Postpaid

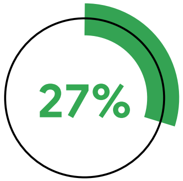
Examples of competition apps with similar functions

- **Other providers' main telco apps:** Dual sim users may use an app with better functions and savings
- **Payment apps:** Consumers use e-wallets and m-banking apps for payments, instead of telco apps
- **Shopping apps:** Credits are available for purchase from shopping apps, which may offer better deals

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
[1] Question: Why have you installed telco apps but not used them? Base: Installed but not tried app, n=628

Consumers could benefit from further education on the benefits that the app offers to reduce dormancy

Top Reasons for App Dormancy



don't understand what the apps offer them[1]

25% 35% 19% 30% 27%

28% Prepaid | 24% Postpaid

Education needed, particularly for less tech-literate

- Less tech-savvy consumers **rely on the help of friends/family** to onboard them
- Some consumers are **unaware of what capabilities are offered** on the telco app, beyond basic telco management

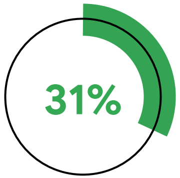
" I don't check the [Telco A] app for interesting features… I don't think they have any. It's just for checking my data and topping up.

- Indonesia light app user

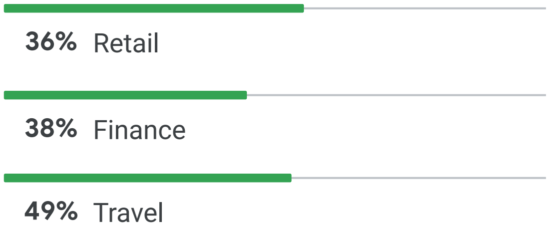
Think with Google

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
[1] Question: Why have you installed telco apps but not used them? Base: Installed but not tried app, n=628

Although levels can be improved, dormancy is less of an issue than within other key verticals surveyed like Retail, Finance and Travel



have at least one main telco app **installed but not used**[1]



Lower dormancy on telco apps compared to other verticals could be due to:

- Easier sign-ups processes
- Fewer competing apps (unless a user is a multisim user, they are unlikely to download another telco app)
- Enticing initial deals

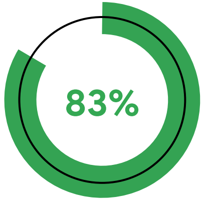
Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
[1] Question: How familiar are you with each of these [vertical] apps? Base: Total sample, Telco n=2029, Retail n=1252, Finance n=2073, Travel n=23239 responses
[2] Question: Why have you installed [vertical] apps but not used them? Base: Installed but not tried app, Telco n=628, Retail n=554, Finance n=974, Travel n=7281 responses

Compared to other verticals, there seems to be a higher level of lack of understanding of what telco apps provide to users

Reasons for Dormancy[2]	Telco	Finance	Retail
I don't understand what the app provides me	**27%**	18%	14%
Sign up process looks complex	**15%**	21%	15%
Too risky to sign up to new products during Covid-19	**13%**	18%	12%

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
[1] Question: How familiar are you with each of these [vertical] apps? Base: Total sample, Telco n=2029, Retail n=1252, Finance n=2073, Travel n=23239 responses
[2] Question: Why have you installed [vertical] apps but not used them? Base: Installed but not tried app, Telco n=628, Retail n=554, Finance n=974, Travel n=7281 responses

People talk! A highly rated app that meets multiple needs will bring more customers to the brand



of those who rate an app highly are **brand advocates**[1]

Staff, social media and friends / family are all crucial in app **installation** decisions, as well as **education** about app functions

No major difference between pre and postpaid

“ My friend told me about the app, and that it’s cheaper to buy phone credits in the app, compared to buying at the counter.

- Indonesia heavy app user

“ My friend told me about it. She said, why are you asking me about all the packages. Just download the app. So I went to Play Store, and searched for the Telco A app.

- Pakistan female app user

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
[1] Question: How likely would you be to recommend this brand to your family and friends? 11pt scale. Base: Rated app highly, n=1755 responses

There are key differences between prepaid and postpaid customers which impact how each type of customer uses a telco app

02

How do prepaid and postpaid users differ?

There is a different level of prepaid and postpaid concentration across markets hence app behaviours vary largely across the region

Smartphone Usage for Main Telco app

Indonesia, Pakistan and Vietnam are predominantly **Prepaid**[1]

90% 94% 80%

Thailand and Singapore are predominantly **Postpaid**[1]

63% 86%

Note: These figures are based on our research within the sample of current Telco app users

Source: Google commissioned Kantar "apps: How to realize their full value" Research: ID/TH/SG/PK Telco
[1] Question: Which of the below best describes how you pay for your smartphone usage? Base: Total sample, n=2029

Prepaid users generally have less storage on their smartphones than postpaid users, which impacts app deletion decisions

Key differences in age & engagement

		Prepaid	Postpaid
Age [1]	<35	66%	39%
	>35	34%	61%
Smartphone Size [2]	<128 GB	73%	51%
	>128 GB	26%	47%
Reasons for Deletion [3]	I often delete and reinstall apps	18%	12%

Prepaid cards are used more by the less affluent as they tend to offer lower cost packages that do not require a fixed monthly payment

Prepaid users have smartphones with less memory capacity hence apps can occasionally be deleted and reinstalled as required. Telcos need to offer constant benefits to avoid deletion.

“ Sometimes I will get issues with my phone storage and I know it when it starts to hang and I will start deleting apps that I don’t use anymore.

- **Pakistan app user**

***Colour coding indicates significance at 95% level**

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco; [1] Question: Please type in your age Base: Postpaid users, n=627, Prepaid users n=1402; [2] Question: What total storage does your smartphone have? Please select the closest answer Base: Postpaid users, n=627, Prepaid users n=1402; [3] Question: What are the typical reasons why you delete / uninstall these? Base: Postpaid users, n=627, Prepaid users n=1402

Prepaid users have a strong skew to apps as a preferred touchpoint, while postpaid users tend to lean to in-person due to task complexity

Key differences in age & engagement

		Prepaid	Postpaid
Preferred Touchpoint [1]	Apps	71%	58%
	In-Person	15%	26%
	Website	10%	10%
	Email	4%	6%

Apps make it easier for prepaid users to **view and evaluate package details** any time they want, adding convenience to daily / weekly purchases

"I rarely need to call customer service now that I use an app to track my usage. Before I downloaded the app, I used to call to get details on packages
- **Pakistan app user**

Renewal of postpaid contracts tend to be over longer durations (yearly or biannually) and **require higher involvement**, hence in-person support is needed more often though there is **potential to shift them to the app**

"I don't renew my contract though the app. The call center gives better promotions and advice. If the call center were to propose the same rates as the app, then the app would be easier, because I can compare.
- **Thailand heavy app user**

***Colour coding indicates significance at 95% level**
Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
[1] Question: Which would be your preferred way to engage with Telco brands? Base: Postpaid users, n=627, Prepaid users n=1402

In multi-SIM markets, prepaid users are more influenced by the recommendations of others when looking for new deals

Key differences for continued usage			
		Prepaid	Postpaid
Motivations for Continued Usage [1]	It is my provider	31%	40%
	Family / friends tell me about it	25%	17%
	Influencer endorses it	24%*	17%

Prepaid users often take up additional telco plans to supplement their data needs while saving money. This helps telcos get a foot in the door and is easier than getting them to switch providers.

Word of mouth, from both close contacts and influencers, may be key in the prepaid markets to encourage switching behaviours

“ I came across the YouTube video by accident, happened to see it on GadgetIn when it was reviewing handphones, and I was attracted by it. I felt the pricing of the data suits me, and I just downloaded the app to order the SIM card, it was so simple

- **Indonesian heavy app user**

***Colour coding indicates significance at 95% level**

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco

[1] Question: What encourages you to continue to use <PIPE DUMMY CODE FROM S6a> apps rather than delete/ uninstall them? Base: Postpaid users, n=627, Prepaid users n=1402

Rewards are popular - both prepaid and postpaid users are motivated to use an app to take advantage of discounts, rewards, and prizes

Key differences in activity usage[1]		
	Prepaid	**Postpaid**
Look for discounts	54% (1st)	53% (3rd)
Redeem Rewards	45% (2nd)	49% (4th)

Offer attractive incentives to increase app usage

Examples of incentives that attract consumers to use the app include:

- Location-based discounts and promotions, opportunity to redeem points for shopping and dining (Thailand)
- Daily spin and win (Singapore)
- Weekly lucky draws, limited time deals (Singapore)

Notifications for such deals are appreciated by consumers, to keep them informed and remind them to log in.

“ I check for promotions every day. Whenever I go to the store or when I go to the malls, I have to check if the restaurants have the promotion on the telco app.

\- **Thailand heavy app user**

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
[1] Question: What activities do you regularly perform when you use Telco apps? Base: Postpaid users, n=605, Prepaid users n=1402

Besides rewards and bill payments, mobile plan management is a common activity that drives usage for prepaid users

Key differences in activity usage[1]		
	Prepaid	Postpaid
Manage mobile data plan	38%	29%

Make telco management easy, fun and rewarding

- Make it easy for consumers to **discover new functions while managing their plans**
- Motivate data-hungry consumers to **try out new telco functions** (e.g. games and content) by offering free and fast data a rewards
- Build in fun as part of the routine, such as **maintaining a log-in streak, playing casual games** for rewards

" I check my data use on the dashboard every one or two days because I buy weekly packages. I also buy data for different applications so I use the app to double check which data package I bought for which app.

\- **Indonesia heavy app user**

***Colour coding indicates significance at 95% level**

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco

[1] Question: What activities do you regularly perform when you use Telco apps? Base: Postpaid users, n=605, Prepaid users n=1402

How do prepaid and postpaid customers differ?

There is no one-size fits all strategy for telcos if they have a mixture of postpaid and prepaid users as there are numerous behavioural nuances between the two:

Prepaid

- Younger <35
- Less storage - leading to deletions
- Strong preference for apps
- Recommendations sway choice
- Used for plan management
- Used for free video content

Apps need to be memory-efficient with potential focus on management and entertainment. Influencers and word of mouth can encourage onboarding (if high performing)

Opportunities for download but loyalty is more difficult

Postpaid

- Older >35
- High storage - room for larger apps
- Prefer apps but a skew to in-person
- App choice locked in by provider
- Used for rewards

Apps can be larger - more potential for superapps in this space. The complexities of contracts do lean to in-person interactions meaning rewards have to drive brand loyalty

Opportunities to build strong brand loyalty

Implication for telcos:
Build right app usage behaviours by leveraging ACe

Thirdly, we can look at elements that can be improved within Telco apps to heighten engagement and satisfaction

03

What can Telcos do to elevate engagement and satisfaction with their app?

There is a large proportion of passive app raters, further improvements could shift this group to promoter levels

45% rate the app **highly** 9-10 out of 10

41% 52% 22% 57% 58%

44% are **passive** about the app 7-8 out of 10

49% 37% 57% 33% 35%

11% are **dissatisfied** with the app 1-6 out of 10

10% 10% 21% 10% 7%

“ The telco app makes my life easier and more convenient - I can plan out how I use voice calls and the Internet. I also know when I can get some discounts for food.

- **Thailand light app user**

“ I’m neutral about the telco app. I haven’t explored it much, so I don’t know what it’s weaknesses are.

- **Indonesia light app user**

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
Question: When you take into account everything you look for in a Telco app, how do you rate each of the following apps? 10pt scale. Base: App user, n=3766 responses

The lack of understanding or knowledge of what apps offer could be impacting overall usage, and therefore satisfaction

Consumers in Indonesia and Pakistan have lower knowledge about a telco app's capabilities, and **less propensity to explore on their own**

They lean on others to introduce and onboard them, and **tend to stick to basic functions** (e.g. check data balance and pay bills)

Often it's a lack of interest, even when they know the app has more functions that they haven't looked into

“ I don't check the other functions… I don't have time. I check data, and that's it. The priority is checking and purchasing; then I step out and continue whatever I was doing. The telco app is just functional, it's not that interesting.

- Indonesian light app user

“ There are a lot of functions in the app but to be honest I don't look at this stuff much. I just focus on my data balance. I just don't have time.

- Pakistani female app user

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco

Activities relating to rewards are the most popular functions within Telco apps

What can Telcos do to elevate engagement and satisfaction with their app? 3

54% of app users **look for discounts** on Telco apps regularly [1]

64%	65%	43%	29%	67%

54% Prepaid | **53%** Postpaid

46% of app users **redeem rewards** on Telco apps regularly [1]

47%	60%	43%	19%	63%

45% Prepaid | **49%** Postpaid

“ I go to the app to see offers, play the wheel of fortune to get rewards every day. I didn't use to do it until I heard about my friend who also did it every day and won a PS4.

- **Singapore heavy app user**

Benefits can elevate the experience from transactional to excitement

Providing **rewards as an incentive for login** is effective:

- In Indonesia, rewards are offered for 7-day and 30-day log in streaks.
- In Pakistan and Singapore, consumers can spin a wheel or play daily games for rewards such as free data or the chance to win a lucky draw

In Thailand, **checking for rewards is an embedded behaviour** for some, because telco apps have partnerships with shopping/F&B providers and even airport lounges. Consumers like to quickly check if there are any available offers or opportunities for redemption in the nearby area

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
[1] Question: What activities do you regularly perform when you use Telco apps? Base: Total sample, n=2029

When it comes to basic plan management less than half of app users are regularly accessing features

What can Telcos do to elevate engagement and satisfaction with their app? 3

47% of app users **track their data** on Telco apps regularly [1]

56%	45%	60%	31%	43%

42% Prepaid | **55%** Postpaid

34% of app users **manage data plans** on Telco apps regularly [1]

52%	35%	24%	29%	32%

38% Prepaid | **29%** Postpaid

"I think the telco app is becoming useless. The package is automatically extended, so I haven't used the app much in the past month

- **Vietnam light app user**

"I have to go to the main page and there is load time… so it takes more time. It's not like punching in three or four digits and call and I get the SMS immediately

- **Thailand light app user**

Usage tracking is a compelling reason to engage with the telco app, but not all users find it necessary

Telco apps track real-time usage allowing **review of needs and monitoring usage** to avoid running out of data. However, **users on larger plans, or plans that auto-renew**, find this less relevant.

Telco app users indicate that they would log on more frequently to use speedy, easy-to-use, attractive apps

Suggestions for improvement include:

- **Automatic homepage customization** to show frequently used services
- **Quick, secure log-in** with no codes, e.g. Face ID or fingerprint
- **No lag time** when loading and navigating through the app

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
[1] Question: What activities do you regularly perform when you use Telco apps? Base: Total sample, n=2029

Performance related issues such as bugs and memory space lower satisfaction and can ultimately lead to deletion

Bugs

31%

delete if:
"It has bugs / keeps crashing" [1]

34%	35%	23%	15%	37%

"I would switch providers if the app is slow or difficult to use

- **Singapore heavy app user**

Memory Issues

31%

delete if:
"Took up too much memory" [1]

32%	30%	21%	14%	29%

"My ideal app doesn't take up too much storage in the handphone, there shouldn't be a lot of useless stuff

- **Indonesia light app user**

Complexity

21%

delete if:
"It is complicated [1]

23%	30%	16%	11%	25%

"I will delete apps that ask me to register in a very difficult way, if the signup is very complicated, and I cannot create the account

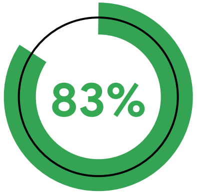
- **Vietnam heavy app user**

Source: Google commissioned Kantar "Apps: How to realize their full value" Research: ID/TH/SG/PK/VT Telco
[1] Question: Thinking now specifically about telco apps, what are the typical reasons why you delete / uninstall these? Base: Total sample, n=2029

Nearly all app users who rate an app highly report high brand satisfaction and likelihood of remaining a customer

What can Telcos do to elevate engagement and satisfaction with their app? 3

of those who rate an app highly also scored high on **brand loyalty** [2]



of those who rate an app highly also scored high on **brand satisfaction** [1]

No key differences seen between pre and postpaid

> "On the app, I can check my account, I can buy 4G data, I can shop there and watch films. It also has grocery shopping on Tiki, sometimes I happen to see the promo and get interested so I click.
>
> \- **Vietnam heavy app user**

Apps offer more opportunities for consumers to engage with their telco, **making it easier for the telco to meet their needs**

App services that drive satisfaction include:

- Tracking usage to avoid bill shocks
- Customized, cost-effective management (e.g. shorter term plans, frequent top-ups)
- Lifestyle rewards/discounts
- Games to earn prizes/rewards

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
[1] Question: How do you rate your interactions with the following brands? 10pt scale. Base: Rated app highly, n=1755 responses
[2] Question: How likely are you to remain a customer of the following brands for the foreseeable future? 5pt scale. Base: Rated app highly, n=1755 responses

What can Telcos do to elevate engagement and satisfaction with their app?

Telco apps often do not appear to be used to their full potential

- Many critical tasks appear under-utilised and may be being performed elsewhere - such as data management and bill payments
- Crucial tasks need to be promoted as instant and seamless within a highly customisable app to increase (and convert) usage

Telco apps appear to be primarily used for secondary functions

- Consumers often come to telco apps for money-saving options rather than primary telco needs
- There is room for improvement when it comes to primary functionality which could, in turn, increase engagement and satisfaction

Room for improvement

- All critical telco activities should be frequently used and eliciting high satisfaction - but it appears secondary functions are used more often and are becoming the reason consumers log-in.
- This suggests that the apps are not performing to expectations OR the way apps are being used are changing which brands need to understand and adapt to

Finally, what is next for Telco apps?

04

What does the future hold for Telco apps?

In the near future, more consumers will be looking to change the way they make payments (possibly accelerated by the pandemic)

Preferred Payment Methods For Telcos[1][2]

	INDONESIA			THAILAND			PAKISTAN			VIETNAM			SEAPK		
	Current		Future	Current		Future	Current		Future	Current		Future	Current		Future
Apps	80%	+8	88%	75%	+3	78%	77%	+3	80%	65%	+18	83%	74%	+8	82%
USSD	12%	-5	7%	15%	-5	10%	6%	-1	5%	23%	-14	9%	14%	-6	8%
In-store	6%	-3	3%	5%	+2	7%	16%	-3	13%	6%	-2	4%	8%	-1	7%
Over a phone call	1%	-	1%	5%	-	5%	1%	+1	2%	5%	-1	4%	3%	-	3%

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco; [1] Question: When you currently update your prepaid mobile service (e.g. top-up / checking data), what is your preferred method?; [2] Question: Thinking into the future, what do you think will be your preferred method of updating your prepaid mobile service?; Base: Prepaid users, n=1361 (excluding Singapore)

Customers are looking to apps to conduct payments as they are convenient and easier to use when managing their plans

Top reasons for future prepaid payments via apps [1]

70% App is the most **convenient option for me**

65%	76%	67%	71%

46% App will be **easier to manage my plan**

52%	53%	25%	53%

38% App is my **current method and I prefer to keep same**

40%	36%	36%	41%

“ Last time you have to go to the store, and fill in the phone number, scratch card, to top up your credits... and I would lose track of the credits because it's so confusing to call and check. It's much easier now with the app.

\- **Indonesia heavy app user**

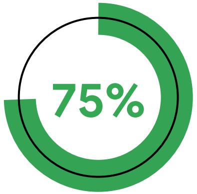
“ If I need data anytime, I can customise the package according to my needs. If I need 7 days, I can still manoeuvre it accordingly. If I just need SMS, I just subscribe to that.

\- **Pakistan male app user**

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
[1] Question: Why will you look to update your prepaid mobile service via apps in the future?
Base: Prepaid users who prefer Apps for future payment, n=1147 (excluding Singapore)

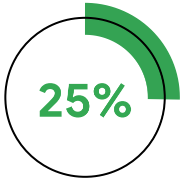
App users have a preference for telco apps that provide a one-stop-shop

App Preference



75% of app users prefer a **single** telco app covering multiple functions

76% Prepaid | **72%** Postpaid



25% of app users prefer **multiple** apps that cover specific functionality

24% Prepaid | **28%** Postpaid

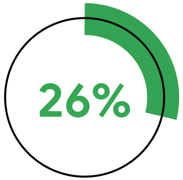
A telco super-app can combine functions such as **telco management, entertainment, rewards, and games.** This offers the convenience of not switching apps, and having less apps on their phone.

> “ There are different apps, one for entertainment, one for payment and one for promotions. Why don't they just combine them into one app? Then I can go and manage everything in one app without having to enter and exit, and enter and exit.
>
> \- **Thailand heavy app user**

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
[1] Question: Thinking about using apps in general, which of the following options would you prefer when using your telco services? Base: Total sample, n=2029
By a single app covering multiple services, we mean an app that can be used for a variety of entertainment or productive purposes
By multiple apps covering specific / dedicated services, we mean apps designed for single purposes

A large proportion of our app users are already using telco apps for additional needs

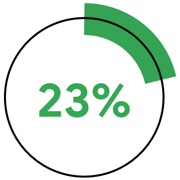
These services / subscriptions could be within the Telco category, or potentially other offerings from the same brand in other areas (i.e. stretch apps / functionality)



of app users use Telco apps regularly to apply for **new services / products** [1]

15% 20% 19% 26% 50%

29% Prepaid | 20% Postpaid



of app users use Telco apps regularly to subscribe to/manage **add-on services** [1]

25% 22% 24% 14% 29%

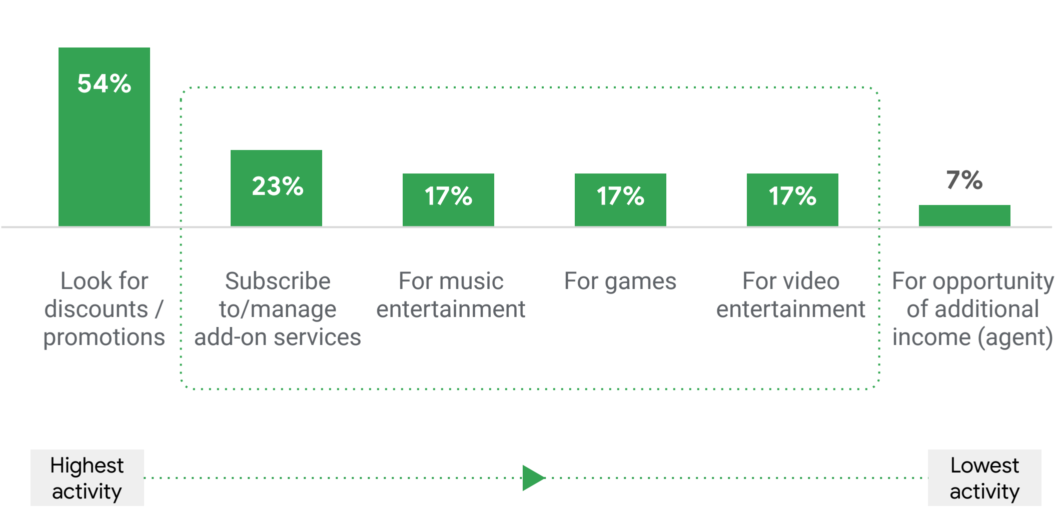
23% Prepaid | 23% Postpaid

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
[1] Question: Why have you installed telco apps but not used them? Base: Installed but not tried app, n=628

Additional needs could be on content - a segment of users are using telco apps for entertainment

What does the future hold for Telco apps? 4

Activities Regularly Performed In Telco apps [1]



Video	20%	20%	7%	20%	17%
Music	20%	18%	11%	17%	17%
Gaming	18%	17%	7%	18%	17%

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
[1] Question: What activities do you regularly perform when you use Telco apps? Base: Total sample, n=2029

Content is always appealing, popular options can be promoted and developed to differentiate from current in-market options

Appealing Content To Telco App Users [1]						
						AVG
Entertainment	62%	72%	54%	49%	72%	62%
Movies	73%	72%	62%	25%	67%	60%
Music	71%	53%	47%	37%	65%	55%

Consumers appreciate it when telcos offer entertainment. The most successful examples:

- Offer data-free access
- Curate/recommend content
- Exclusive content available only to subscribers

However, Stretch telco apps offer content similar to preferred, established apps in the market:

- **Paid globally-known apps** - e.g. Netflix, Spotify, Disney+
- **Free content, no subscription required** - e.g. YouTube
- **E-wallets** - GrabPay, FavePay

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
[1] Question: And just to ask something a little bit different. Which of these following types of content appeal to you? Base: Total sample, n=2029

Consumers appreciate having convenient and data-free access to entertainment

Data-hungry consumers, particularly those in heavily prepaid markets, appreciate having an entertainment option when on the go that does not spend their limited data allowance.

- Some main telco apps offer **content within the app**, which consumers can immediately start to view without needing to download another app
- Telcos offer **additional content apps** that can be downloaded from the main app, and subscription plans that allows consumers **data-free viewing on the go**
- Telco apps also allow consumers to **purchase data allowances for specific apps** (such as Tiktok or Facebook) at a cheaper rate

“ I go to the app, I check my data, and I can get entertained right there. It’s not my main channel for entertainment. But it is very convenient, I happen to see it, and I can click and view right away, I watch Netflix on TV at home, but when I’m on my phone I can watch shows on [Telco App A].

- **Vietnam heavy app user**

Consumers also want exclusive and curated content

Exclusive, attractive content gets their attention

Access to **exclusive content** (e.g. one time access to a KPop concert), or **earlier release dates** than theatres gets consumers excited and motivates them to try the telco app's entertainment options.

“ I want exclusivity from the platform, some content which is only available here. At first [Telco A] did it really well with the Korean exclusive content but that was the only one thing and it's gone. I want to feel special using this app.

- **Thailand heavy app user**

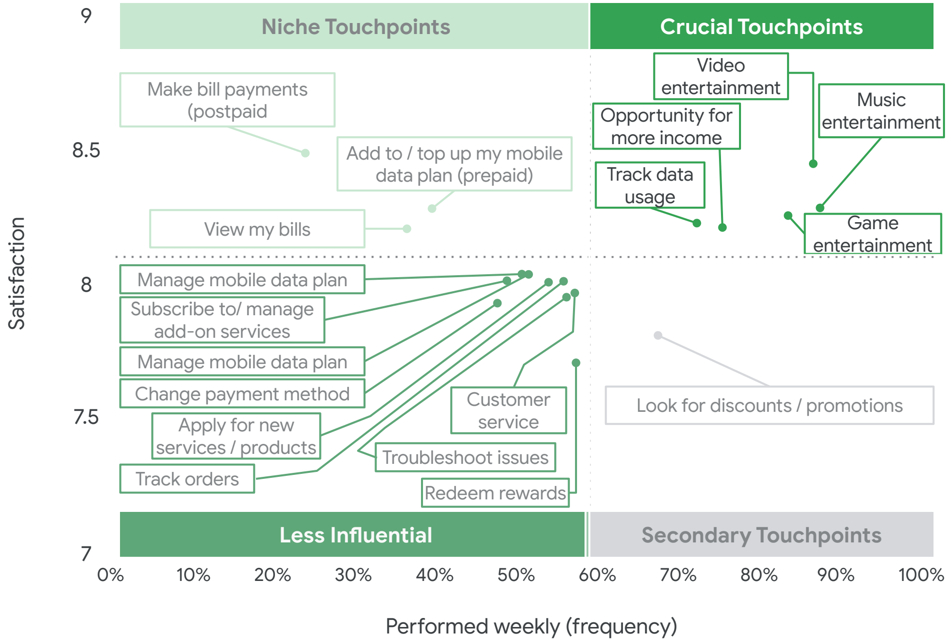
Help consumers discover new content

Consumers are sometimes overwhelmed by the sheer quantity of options. **Curating quality content** that consumers can easily discover on the telco app can address this need.

“ On Spotify, there are so many podcast options so I don't really know who to listen to. But for [Telco A's app], you don't get confused about who to listen to or search for. It's just listed out there for you, no need to think about it. So I listened to all of it and now I wish there was more.

- **Indonesia heavy app user**

Those that access entertainment are doing so frequently and finding great satisfaction in what they find - an opportunity for apps!



Innovate to meet consumer needs

Entertainment options within telco apps gain very high satisfaction among the groups that use them - an opportunity to upscale these functions.

They are particularly useful in the prepaid category where data is more scarce

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
Question: How frequently do you perform the following activities within your telco & mobile apps? Base: Among app activity users, n varies per activity
Question: How satisfied are you with your app experience when it comes to the following activities within your telco & mobile apps? Base: Among app activity users, n varies per activity

Prepaid users in particular are already accessing video and gaming content on telco apps - with potential for growth

How do prepaid and postpaid customers differ?

Key differences in activity usage		
	Prepaid	Postpaid
For video	19%	12%
For Games	19%*	13%
For Music	18%	15%

Colour coding indicates significance at 95% level
**Colour coding indicates significance at 90% level*

Data-free entertainment tends to appeal to prepaid

Prepaid users are often on a tight data budget. Entertainment offered on telco apps **gives options when out of data**, which makes them likely to try it and get hooked.

> "I listened to music on [Telco App A] when I ran out of data and can't access Spotify. Then I discovered that [Telco App A] has podcasts, which actually I like even more than music
>
> - **Indonesia heavy app user**

Engage postpaid with high quality content

Telco app content is perceived as being lower quality. Postpaid users have more data and are less likely to be attracted by data-free content. but potential to engage them through:

- **Partnerships with established providers** to provide high quality content
- **Exclusive content**

> "[Telco Stretch App A] is like a Netflix but from [Telco A]. Doesn't seem very trendy from the content. Maybe more for my parents. I think it is targeted at the older generation, because it cannot fight with Netflix
>
> - **Singapore light App user**

Source: Google commissioned Kantar "Apps: How to realize their full value" Research - 2021 Telco
[1] Question: What activities do you regularly perform when you use Telco apps? Base: Postpaid users, n=605, Prepaid users n=1402

Each market in the region can have their own area of focus when it comes to developing super apps

Thailand

Strong across entertainment, payments, and lifestyle

Engages consumers across a suite of apps (e.g. apps for entertainment, for browsing rewards, etc)

Explore how services can be delivered via one main super app. If multiple apps are required, make it seamless by improving convenience and seamless service through a single sign-on

Vietnam

Superapp capabilities exist, but need improvement

While, there are superapp capabilities in some apps as well as supplementary apps providing entertainment, games and shopping, consumers perceive these services as being inferior to specialized apps, and so they have no reason to switch.

Improve services and content so they offer comparable quality and value to specialized apps

Indonesia, Singapore

Focus on entertainment and gaming

There are established super-apps offered by providers in other verticals (i.e. retail and transport) and telco super-apps would find it challenging to play in these spaces

Become the gateway to the network by helping consumers manage and curate data-intensive entertainment activities. Offer incentives for consumers to consolidate their subscriptions through the telco.

Pakistan

Potential to develop advanced services in the future

Currently, telco providers are strong in the payments space and also provide handy services that are relevant locally such as prayer reminders.

While there is appetite for content, the infrastructure is less developed which makes data-heavy app functions on the go less practical-- there is potential to build on this capability in the future.

What does the future hold for Telco apps?

A shift in payment trends

- There will be a continuing shift to app payments taking share from USSD, in-store and phone.
- Telcos need to have apps that are prepared for this trend as well as ensure payment options are seamless secure

Consumers are looking for multi-functional apps

- A telco super-app can combine functions such as telco management, entertainment, rewards, and games. This would offer the convenience of not switching apps, and having less apps on their phone
- The category is also looking to expand into new areas, such as entertainment, which may lead to possible deletion of singular functionality apps.

Entertainment is a viable stretch for telco apps

- There is a small, committed and satisfied group using these functions within telco apps - if promoted and developed they can reach a larger audience.

Appendix

Detailed methodology

This study is part of a larger consumer research conducted among mobile App users covering Telco, Retail, and Finance. A total of 1000 interviews were conducted each in Singapore and Thailand, and 2000 in Indonesia.

Research partners:

KANTAR (Quantitative)

SIXTH FACTOR (Qualitative)

	Quantitative Approach	Qualitative Approach
Sample/ Method	20 minute online survey ● Frequent internet users ● Aged 18-64 ● Smartphone user ● Interacts with Telco vertical via apps **Telco** Sample size: TH: n = 350; Metro & Non-Metro sample ID: n = 700; Metro & Non-Metro sample SG: n = 300; Metro-only sample PK: n=377; Metro & Non-Metro sample	**Online Diary Task:** recording and sharing moments of any Telco activities and services **Online Focus Groups (x2 per market):** interpret, understand drivers, create ideas on 'effective apps' N= 4 / group (differing levels of app usage)
Fieldwork	TH/ID Period: 26th Nov '20 – 4th Dec '20 SG Period: 7th Jan '21 – 20th Jan '21	TH: 17 Mar '21 ID: 18 Mar '21 SG: 13 Apr '21
Analysis	Natural fall-out of age and gender	