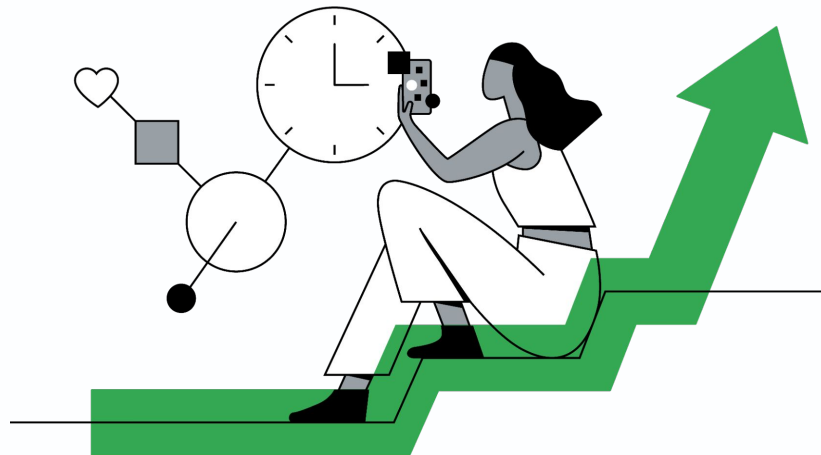
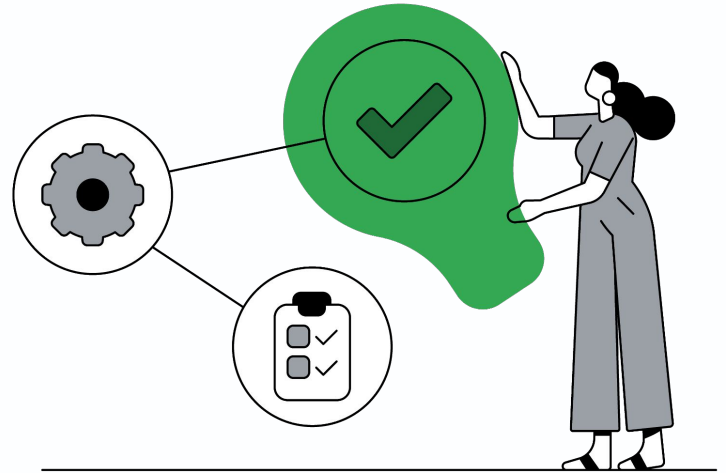


Apps: How to realize their full value

Telco, Vietnam



Background & Methodology



Research overview



Objectives

Understand how apps can help improve business brand, growth, and revenue, particularly in light of changing behaviour as a result of COVID-19, by exploring the different and developing customer engagements on apps.



Methodology

Part of a larger consumer research conducted among mobile app users covering Retail, Telco, and Finance verticals. n=1002 for Vietnam
Quantitative with 2 playgroups (n=4, each) per vertical for Qualitative.
Research covered 9 brands and their respective apps*.

KANTAR

(Quantitative)

**SIXTH
FACTOR**

(Qualitative)



Respondent Criteria

Quantitative

- Around 75% of respondents are telco app users
- Frequent internet user
- 18-64 years old smartphone user
- Interacts with vertical via app

Qualitative

- Mixture of male and female heavy app users
- Light telco users: Use telco apps 1-3x a month and conducts 4 different app activities
- Heavy telco users: Use telco apps at least once a week and conduct 4 different app activities



Who are generally using telco apps?

Profiling

Gender

50% Male 50% Female

Age

68% (18-34) 32% (35-64)

Income

Less than 15,000,000 VND	31%
15,000,001 - 20,000,000 VND	24%
20,000,001 - 30,000,000 VND	25%
30,000,000 VND or more	20%

Think with Google

Internet Usage

98% Daily

Operating System

31% iOS 69% Android

Connected Devices

Smartphone	100%
Tablet	50%
Laptop computer	80%
Desktop computer	55%
Smart speaker	22%

Region

70% Metro 30% Non-Metro

Background and Methodology

1

Smartphone Storage

Under 16GB	1%
16GB	6%
32GB	21%
64GB	34%
128GB	28%
Over 128GB	10%

Prepaid v/s Postpaid

Top up online	76%
Top up in-store	4%
Contract/Fixed bills	20%



What insights did the research aim to uncover?

01 | What constitutes an 'effective' telco app for app users?

02 | How do app users perceive businesses who have an 'effective' app?

03 | What is the link between an 'effective' app and business outcomes?

04 | How are individual brands performing?

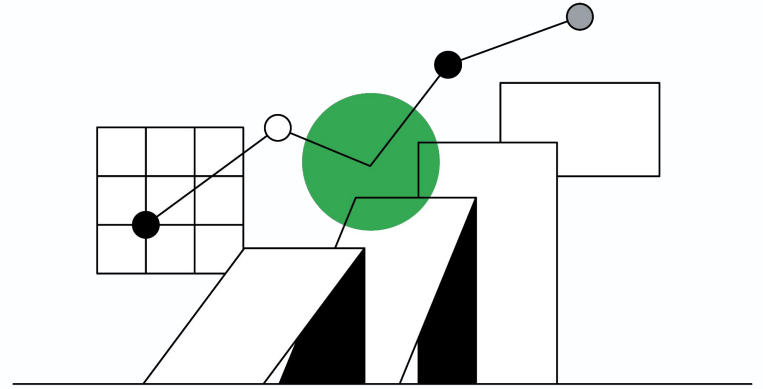
05 | Deep dive into consumer app behaviour: types of app activities, frequency of usage and reasons for install, deletion and usage

06 | What are pre-paid payment habits?





Summary of Findings



Introducing our 3 behavioral pillars that drive value for a brand in a consumer's app journey

App Discovery and Onboarding

Has the app been trialled following awareness and install?

Key for App Discovery and Onboarding

Consumers are beginning to form **affinity** with brands, which are aiming to create positive links to discovery metrics before engagement deepens.

App Engagement

How frequently is the app used?

Key for App Engagement

Consumers are using the app more frequently. Regular app usage links to increased **loyalty** and brand **satisfaction**.

App Satisfaction

How satisfied is the app user with the app?

Key for App Satisfaction

When consumers are highly satisfied with the app they will begin to **recommend** both the app and brand - which will help bring in more consumers to start their own **discovery** journey.



Introducing our 3 behavioral pillars that drive value for a brand in a consumer's app journey

Stages of App Discovery and Onboarding, App Engagement, App Satisfaction

App Discovery and Onboarding

Initial Awareness: shift between “Never heard of app” and “Heard a little”

Deeper Awareness: shift between “Heard a little” and “Heard a lot”

Installation: shift between “Heard a lot” and “Installed but not used”

Onboarding: shift between “Installed, not used” and “Tried app, still installed”

App Engagement

Regular Usage: shift between “Tried app, still installed” and “Use regularly”

Most Frequent: shift between “Use regularly” and “Use app most often”

App Satisfaction

Neutral: shift between “Dissatisfied (1-6)” and “Neutral (7-8)”

Positive: shift between “Neutral (7-8)” and “Satisfied (9-10)”



App Discovery and Onboarding:

Key insights and recommendations

Insights



- On average, **93%** of telco brand's customers are **aware of the respective app**
- On average, **35% of recent brand customers (past 3 months) are not users of the brand's app**. This is more prominent among medium and small providers.
- App discovery is a strong starting link to building brand affinity - **79% of onboarders have strong brand affinity**
- **29%** of app users have installed at least one telco app but never used

Recommendations to improve brands metrics



- **Focus on onboarding due to high app awareness**
Time is better spent on promoting install or trial
- **Encourage installation through regularly used and influential touchpoints**
E.g. Advertising on video sites, brand websites, reviews online
- **Word of mouth is crucial**
The influence links to trust - family and friends are the most influential, followed by staff recommendations and reviews
- **Focus on increasing trial**
The key reason why apps are not tried after install are a preference for other apps, lack of time and lack of understanding. Further education about the app, its benefits and how to use it effectively could encourage first trial.



App Engagement:

Key insights and recommendations

Insights



- App engagement has a strong positive correlation with brand satisfaction and customer retention
 - **86%** of “most frequent” users are **satisfied with the brand**
 - **98%** of “most frequent” users are likely **to stay with the brand**
- **61% of app users** prefer to engage with brands via apps. On average, user have 2 telco apps installed
- **Over 70%** of app users prefer to use **an app** for critical activities such as **tracking data, topping up plans, making payments**
- App users are encouraged to continue usage when apps:
 - are proven to be **secure (46%)**
 - show relevance **during Covid (43%)**
 - are **updated regularly (41%)**

Recommendations to improve brands metrics



- **Encourage the shift to digital**
The shift to digital has begun and will continue. Covid is creating both pull (embrace apps) and push (forced online) factors. Promote the convenience, speed and safety of apps
- **Upkeep and further promote core features**
E.g. top up (46% perform regularly), track data (43%), view bills (34%), manage plans (32%)
- **Maximize opportunity areas around rewards and discounts**
Telco apps are popular for rewards - 67% regularly look for discounts; 63% check or redeem rewards - which could be linked to financial concerns resulting from the pandemic
- **Raise awareness of underutilized yet helpful features**
Underutilized stretch features such as gaming, video and music can help increase the value of an app to users - and deepen engagement



App Satisfaction:

Key insights and recommendations

Insights



- App satisfaction is strongly correlated with brand recommendation - **97% who positively rate an app regard themselves as brand promoters**
- **76%** of app users would **prefer a multi-functional singular app** compared to multiple single purpose apps
- As well as providing a channel that is safe during Covid such as an app, brands can meet changing consumer needs providing convenience - **47% strongly agree they can use apps anywhere, anytime; 43% strongly agree they are more convenient than going in-store**
- There will be a prepaid payment shift to **apps** from USSD - 83% will use apps in the future; users are more comfortable with convenience and ease of apps

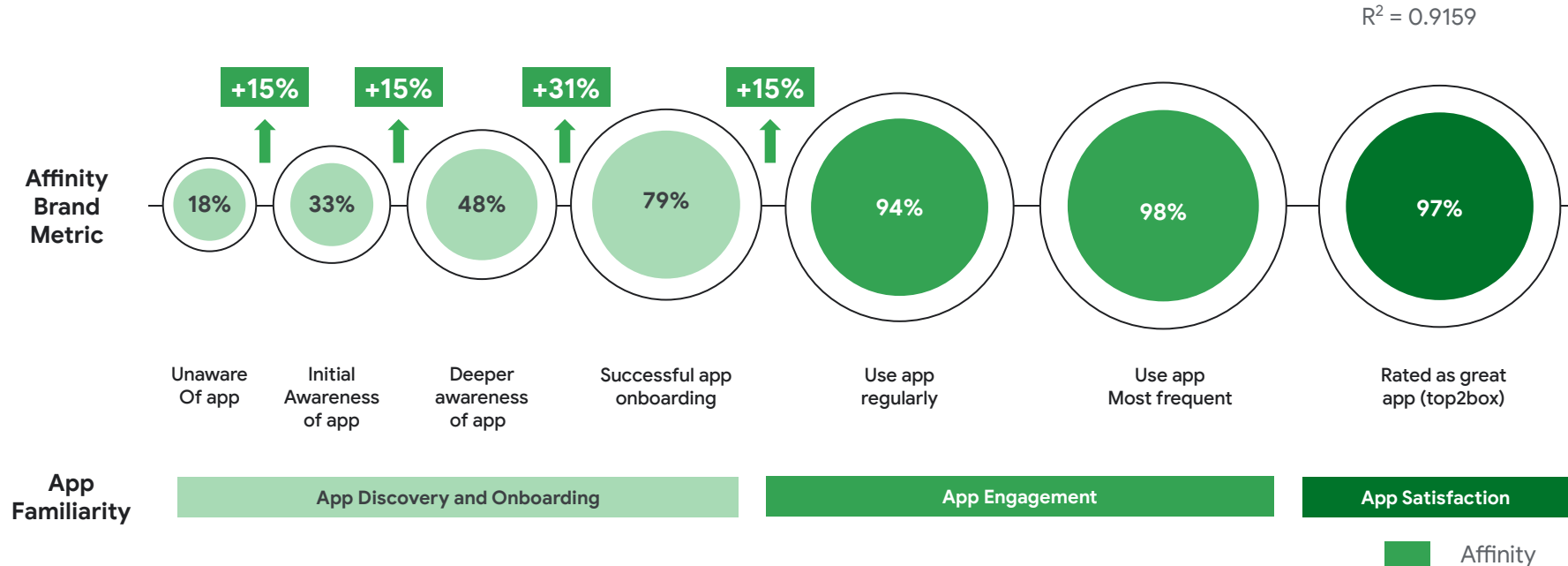
Recommendations to improve brands metrics



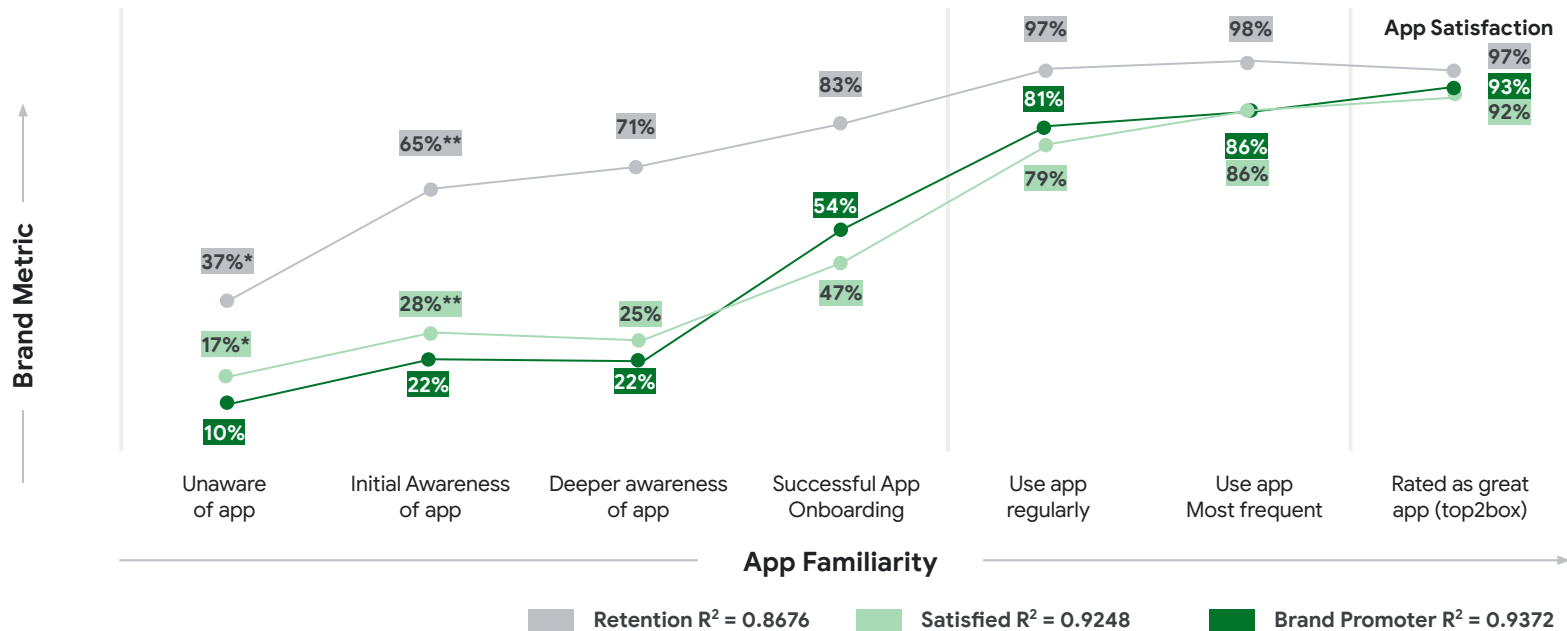
- **Improve the basics!**
Ensure critical tasks (e.g. data checking, top ups) are reliable, seamless & elicit satisfaction. Currently, crucial activities appear to be under-performing and may need improvements. Bugs and distractions put users off.
- **Promote stretch functionality such as entertainment**
Those who use entertainment use it frequently and are satisfied
- **Understand changing consumer needs**
Key reasons for using telco apps include safety during Covid (43% agree strongly) and a preference for digital over cash (36%)
- **Innovate to meet consumer needs**
The shift to digital has begun and brands need to keep up with needs by providing different payment options, stronger security, and multi-functionality - which could come through further entertainment



A successful app journey correlates with brand affinity (with shifts seen at awareness, onboarding and regular use)

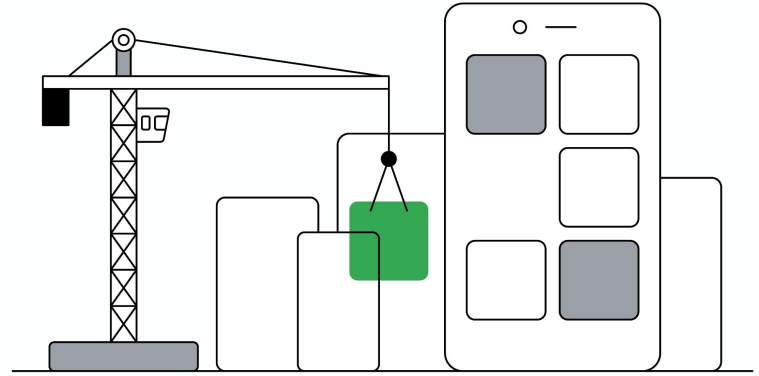


Positive uplifts are reflective with other significant brand metrics, correlating with along the app journey

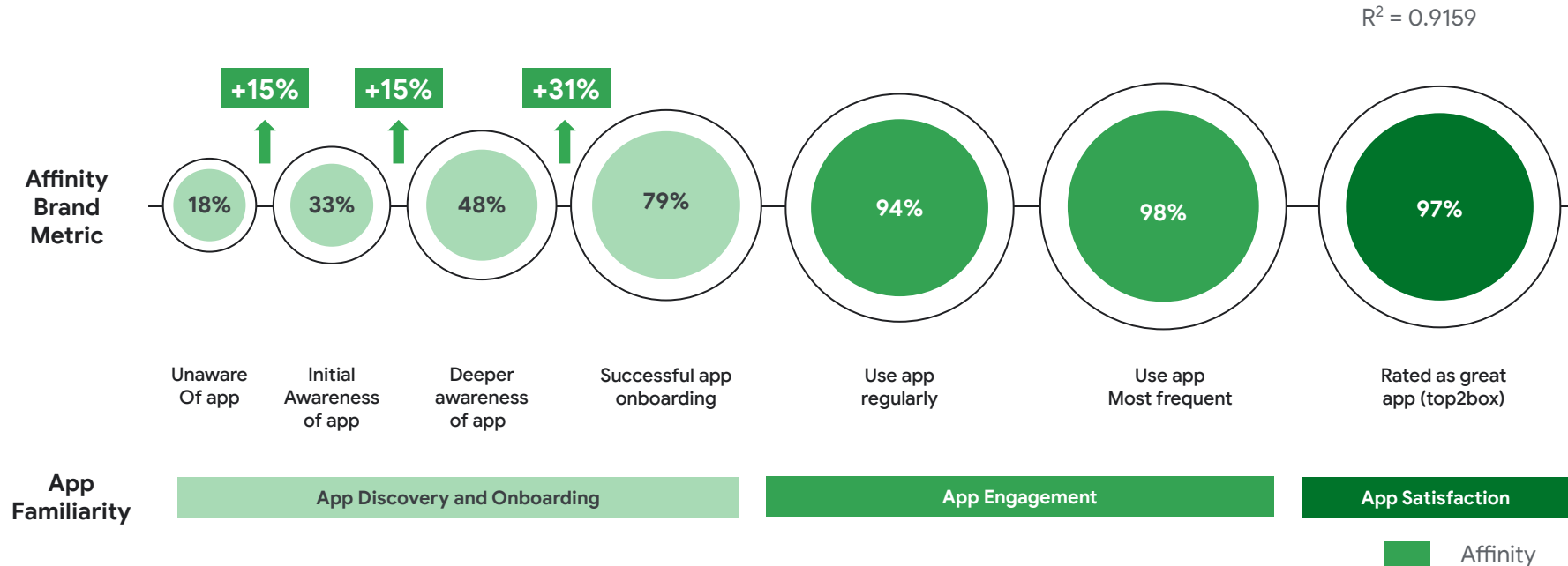


App Discovery and Onboarding

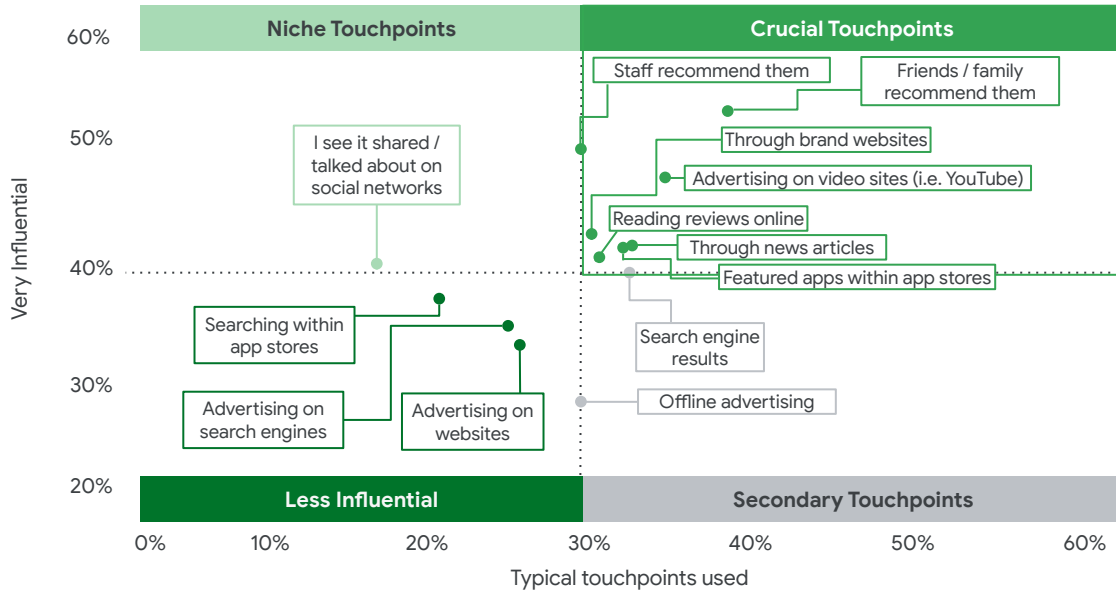
How does awareness and onboarding of
an app impact brand metrics?



Positive app discovery and onboarding builds brand affinity - there are shifts throughout this stage of the app journey



A wide variety of online and offline touchpoints provide crucial information for potential new telco app users



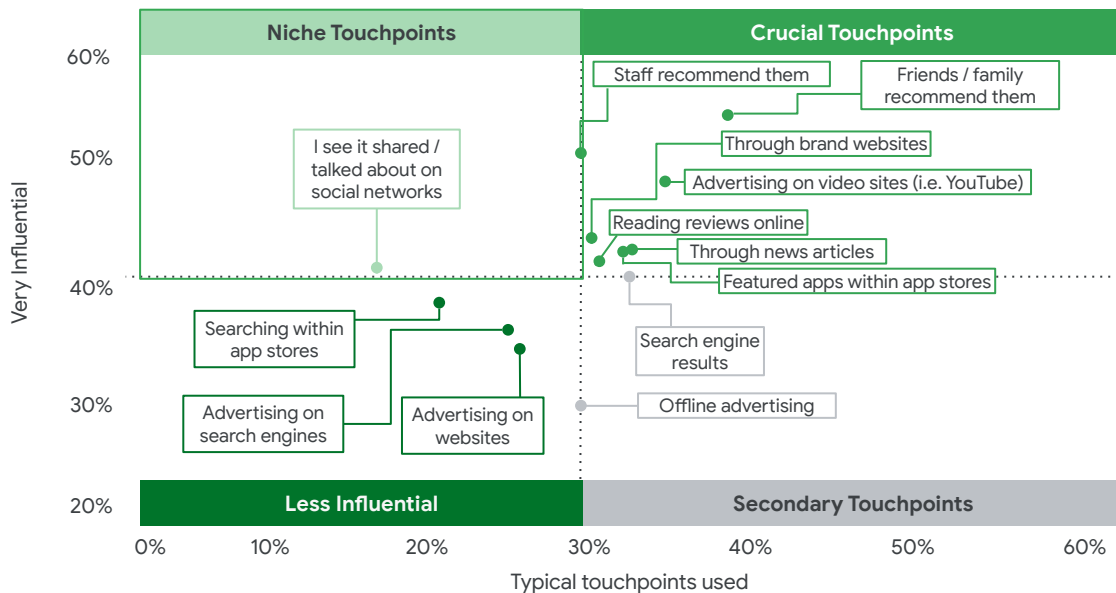
Crucial touchpoints

Touchpoints that are frequently used and influential in installation decision making

Online	Offline
Advertising on video sites	Family / friends recommend them
Brand websites	Staff recommend them
Reading reviews online	Through news articles
Featured apps within app stores	



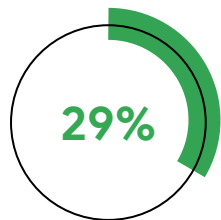
Social media posts can help boost reach to new telco app users



Opportunity / Invest Touchpoints	
Touchpoints that not frequently used yet are influential in installation decision making	
Online	Offline
I see it shared / talked about on social networks	n/a



3 in 10 have an unused app installed as they struggle to understand what the app does or lack time



have installed at least one telco app but never used

Reasons to install but not use

I use a different app instead	43%
I haven't had the time	30%
I don't understand what the app provides me	27%
The app design or user experience is complicated	22%
The sign up process looks complex	18%
I need someone to help me / teach me more	18%
It is too risky to sign up to new products during Covid-19	15%



App users are looking for convenient and useful features that make managing telco accounts easier and safer

Installation Triggers (TOP 10)

It had features that looked useful	46%
I wanted to be able to top-up my account easily	45%
They are from my current telco	43%
It is a safer option during Covid-19	42%
They offer personalised offers and incentives	32%
I needed help tracking my data	29%
I wanted to change the way I make payments due to Covid-19	29%
It is from a well known brand	27%
The app was highly rated on an app store	26%
Everyone uses this app / I was recommended to use it	24%

A seamless experience for managing telco plans/data is very enticing to possible new customers. The little things need to be straightforward and easy to understand. Apps are helping to alleviate these stresses - a clear UX that enables quick top-ups, data tracking, and other useful features can help drive further app installations

Many habits and behaviours of Telco users were disrupted when Covid arrived, and so it was necessary for many to adjust their current Telco habits accordingly. Telcos need to accommodate all customers - those who are digitally savvy and those who are not. Telco apps provide safety against Covid as customers can avoid in-person interactions. Telco apps have many discounts/promotions on that help support those financially struggling



Consumers are aware of main telco app and basic telco management functions, but broader usage is limited

Convenience and benefits drive download and trial

Consumers download a telco app to conveniently manage their telco services **at their fingertips**.

Consumers are enticed by being able to earn more points moving forward and getting **access to additional opportunities to save** (e.g. discounts from telco e-wallet apps, data-free access to content)

“ I downloaded because of promotion and no fee for first 7 days. [Telco App A] gives you a card to swipe, and there's no fee. If I use Visa with [E-wallet App B], I get a 10% charge.

- Light app user

Guide discovery of additional functions and apps

Although VN consumers are tech-savvy, telco apps are getting **more complicated and full of capabilities** reaching into payments, content, shopping, and other services.

Consumers (particularly light users, who are less familiar with the app) need more **guidance to discover the most relevant and useful functions during onboarding**

“ There are so many apps available to download, I don't even know the difference between [Telco App A] and [Telco App B]. I'm now used to [Telco App B], so I just keep using it.

- Heavy app user

Security is a barrier for broader usage

Consumers are resistant to complicated log-in processes, particularly keying in passwords.

They believe that two-factor authentication (similar to banking apps) is the most secure log-in method, and hence **prefer to use their e-wallet/banking apps to pay** rather than save their financial details in the telco app. This is a potential barrier for broader use beyond telco

“ Telco app is secure, but not as secure as banking app. I think the safest is two factor authentication with the bank. Anyway, I don't want to key in password every time I want to top up, so I just use banking app to pay, I don't link my bank account to telco app.

- Light app user



Guide consumers through discovery of non-telco app services and content, provide more secure login options

From 'easy onboarding' to 'automatic onboarding'

Reduce steps to encourage trial by **pre-installing them into new phones, and setting them up for automatic registration**

Effortless registration: Both main and additional apps should be ready for instant use with minimal set-up

For example, e-wallets could be linked to phone bill, one login to apply across apps

From 'discover by accident' to 'guided discovery'

As apps get more complex, consumers **need help navigating through the interface** to discover relevant functions and content

Clearer signposting: Help consumers better navigate the app, aid their discovery by spotlighting different and new functions

Content preview: Use content teasers within the main app to showcase benefits of additional apps

From 'convenience trade-off' to 'convenient yet secure'

Consumers prioritize convenience over security for telco apps, and hence avoid saving **their financial details**

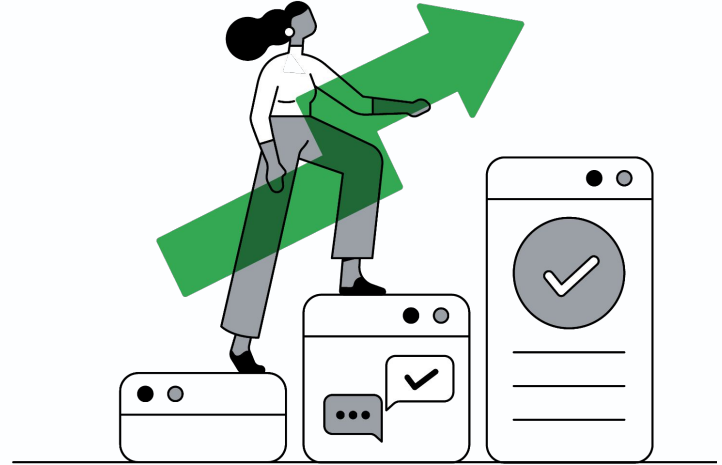
Easy and secure log in: Face ID and fingerprint scanners are two highly secure yet convenient methods of authentication

Additional security for financial transactions: Two-factor authentication when performing financial transactions to match security on banking apps

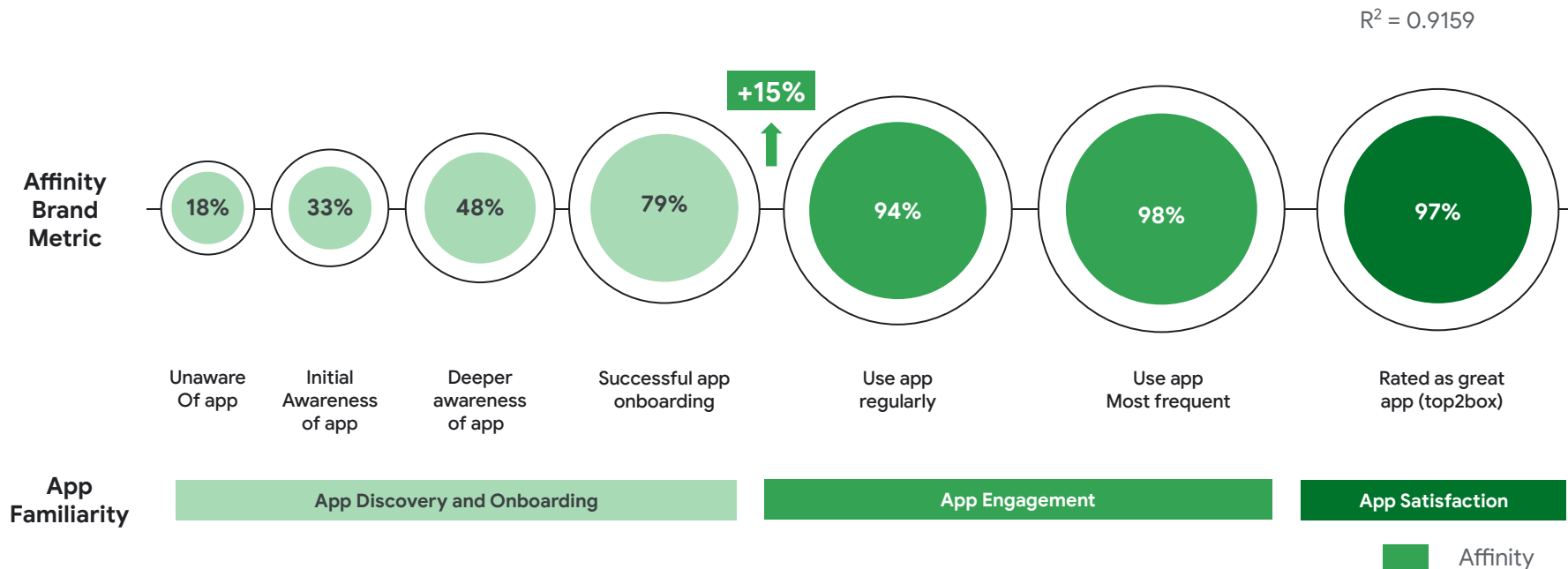


App Engagement

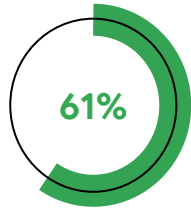
How frequently is the app used?



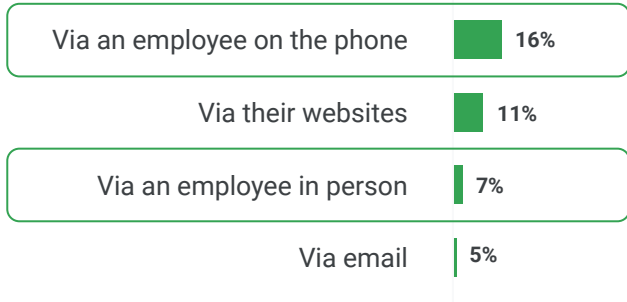
Increased app engagement helps to increase the affinity a consumer has with a brand



6 in 10 app users prefer to engage with brands via apps and take advantage of the speed, ease, anytime use



61% prefer to engage with telcos through their app



Reasons for engaging with brands through an app

I can access it anytime of the day or night	55%
It is quicker	54%
I can do it from anywhere	54%
I find it easier	53%
It is safer in the current climate (i.e. Covid-19)	45%
It is the method I have always used	37%
They are very user-friendly	37%
It has all the features I need	37%
I can deal with all my accounts in one place	31%
I prefer the security processes (i.e. 2 factor authentication)	30%
I prefer the limited features	24%
They have all my details stored	23%
The app provides special features that other channels don't	22%
I prefer not having in-person interaction	19%

Source: CU10. Which would be your preferred way to engage with <PIPE DUMMY CODE FROM S6a> brands? CU10a. You said you would prefer to engage with <PIPE DUMMY CODE FROM S6a> brands via apps. Why is this? Total Sample = 302; Prefer to engage via App n = 185



Consumers have a couple of apps Installed and use varied activities

1.9

Telco apps
installed on
average

6

activities are
regularly
performed in
telco apps, on
average

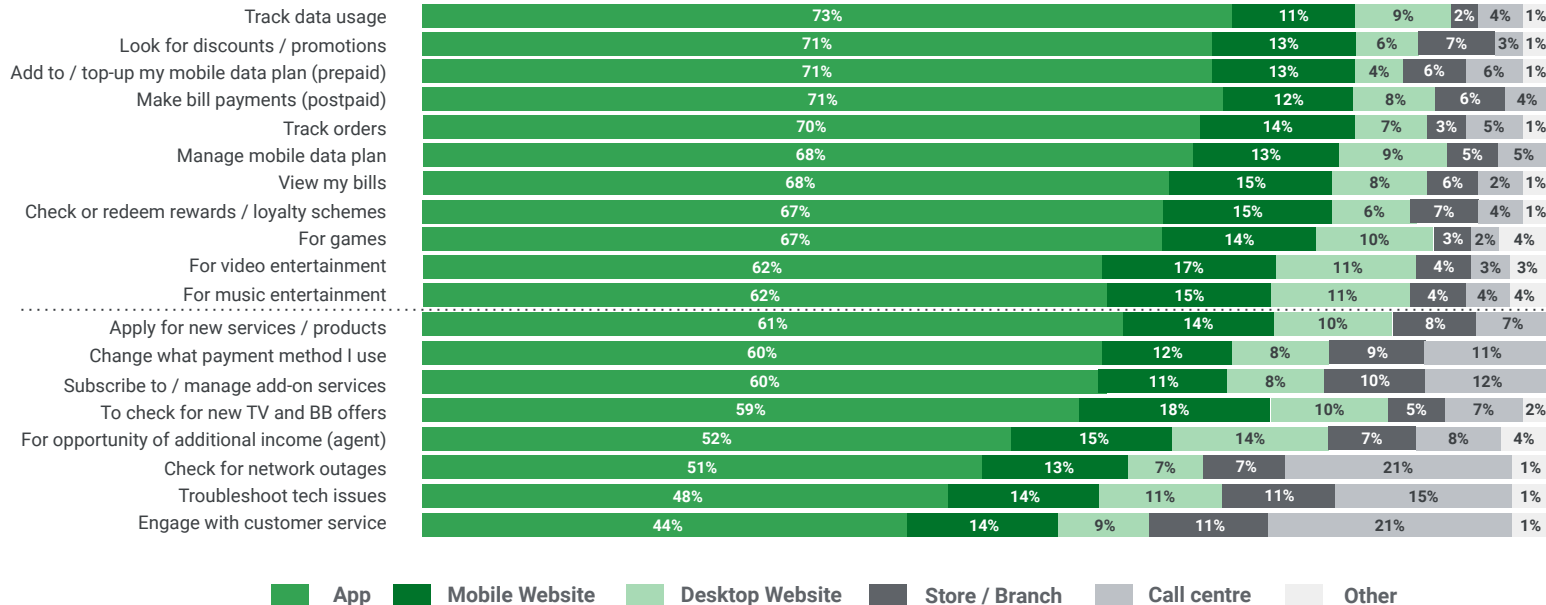
2.7

activities are
performed
weekly, on
average



App have a clear preference across most activities, some 'stressful' activities skew to websites and employees

Activity Preference



App Average: 62%



Usage continues when apps demonstrate security, provide regular updates, and have little impact on phone storage

Continued Usage (TOP 10)

If it proved it was secure and safe	46%
If it shows its relevance during COVID-19	43%
If the app was updated regularly with new, useful features	41%
If it takes up less memory on my smartphone	39%
If it sends useful notifications	34%
If the app was updated regularly to fix bugs	31%
If it uses less mobile data	30%
When the app notifies me of any changes	28%
If my friends or family are using / talking about it more	28%
If a social media influencer endorsed it	28%

Security is viewed both from a physical health and data perspective. App combat concerns of COVID spread (avoiding face to face). Telco apps need to provide reassurances that data and privacy is always top of mind in future updates.

Regular updates are crucial to continued app usage whether it is new features, or fixing issues. App developers and telco brands can not stand still, particularly in a time many are moving to digital and changing behaviours.

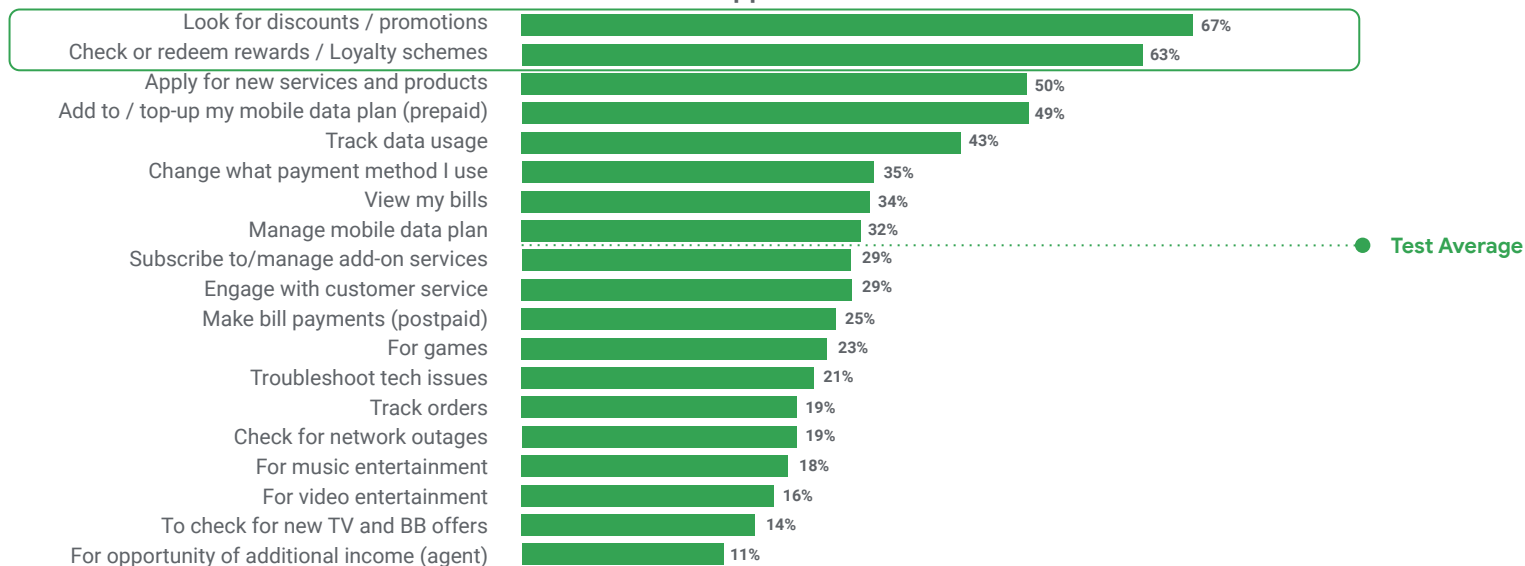
App users have some concerns over the size of apps as 3 in 10 smartphone owners have phones with storage 32GB or under

Vietnamese consumers value the opinions of others - particularly family and friends - but the opinions of others on social media can also provide motivation to continually use an app



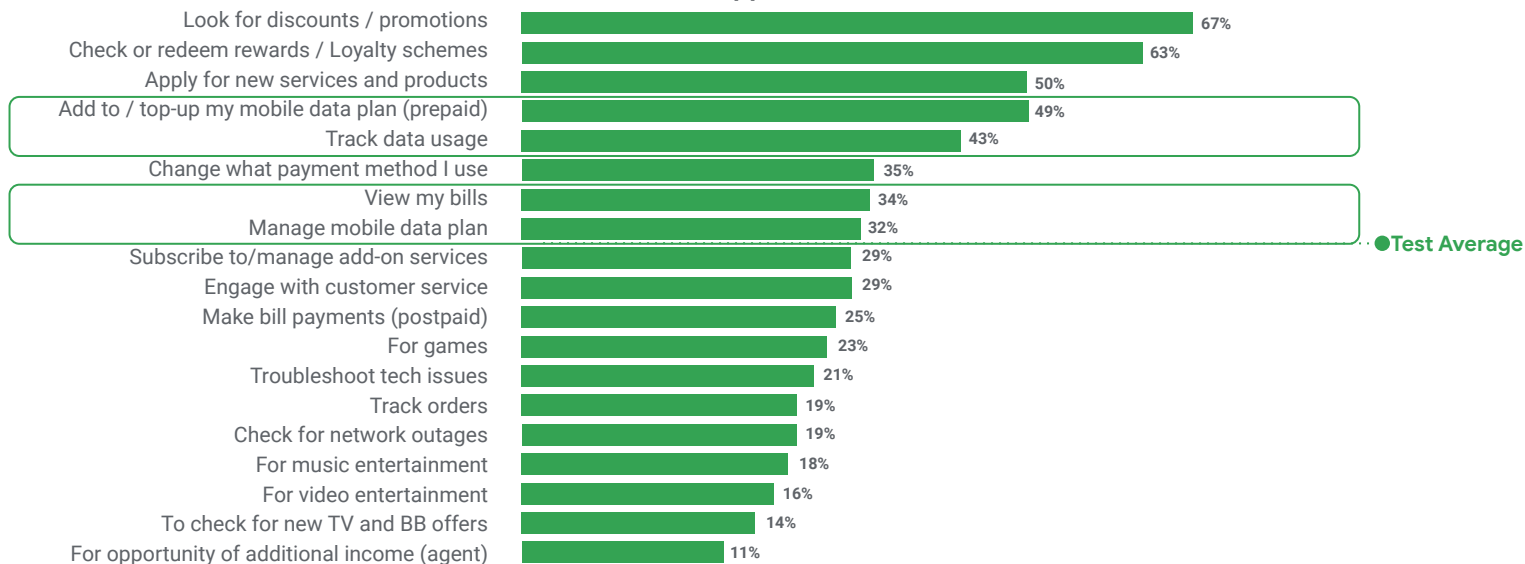
Deal hunting is very popular in Telco apps, as users look for the best financial return on their data plans

Common Telco App Behaviours

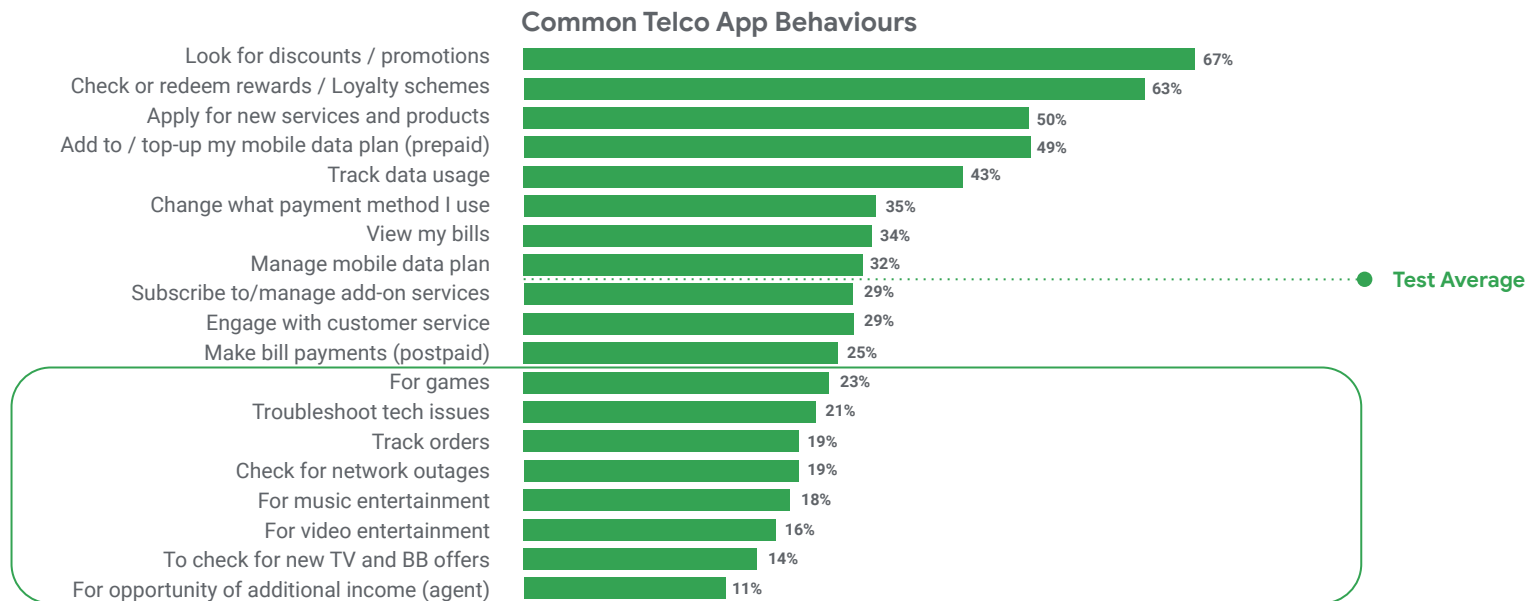


Regular 'telco' activities include topping up plans, tracking data, viewing bills and managing plans

Common Telco App Behaviours



Some secondary or stretch activities are lesser used - an opportunity to create awareness and educate



In addition to telco management, content, services, and rewards can encourage consumers to login frequently

More than just telco management

The app interface allows users to manage their telco plans more conveniently, but also offers **plenty of other functions** to give consumers reasons to use the app, including games, content, shopping, and browsing for lifestyle rewards.

“ On the app, I can check my account, can register 4G, I can shop there and watch films. I can watch films right on [Telco App A]. It also has grocery shopping on Tiki, sometimes I happen to see the promo and get interested so I click.

- Heavy app user

Quality content to keep consumers coming back

Content can be a powerful driver for engagement, as consumers who get hooked will continuously return to the app for more. However, **content from telco apps currently feel outdated and limited in variety**, leading many consumers to prefer established content apps (e.g. Netflix, ZingMP3).

“ [Telco App B] is highly entertaining as it provides films, you can pay 300k a day to watch freely. Also, I think the quality is good enough, I just want dramas and livestreams, I'm quite ok with it. Since I'm halfway through it, I just continue watching it at home too.

- Heavy app user

Rewards to encourage regular engagement

Consumers are **highly motivated by rewards**, but these are currently mostly tied to telco spends. There is potential to use rewards to encourage consumers to use the app more frequently and across more functions.

“ I like to play tiny games to accumulate points. that would be good. Like in [Telco App C], simple games. It's highly motivating. Or like having a virtual pet. Or play games to get credit.

- Heavy app user



Light and heavy users engage differently with loyalty programs

Light users appreciate rewards based on tiered member status

As light users log on infrequently, they find it **hard to keep track of points** and prefer to have benefits tied to a membership tier.

- In addition to discounts, light users **appreciate partnerships with major lifestyle brands** to access a wider range of benefits such as airline privileges
- **Keep light users informed** via notifications when they have enough points to earn rewards, or when points are expiring

“ My telco connects with Vietnam Airlines and I can exchange points into miles. I'm a platinum. I think it will be useful when the pandemic is over.

- Light app user

Heavy users prefer opportunities to earn points over time

Heavy users log on more frequently and hence find it easier to keep track of points.

- Many heavy users are not high tier telco members as they tend to buy smaller packages and top up frequently as needed
- Being able to **exchange points for smaller telco-related redemption items** (e.g. free data or phone minutes) to supplement their plans is attractive

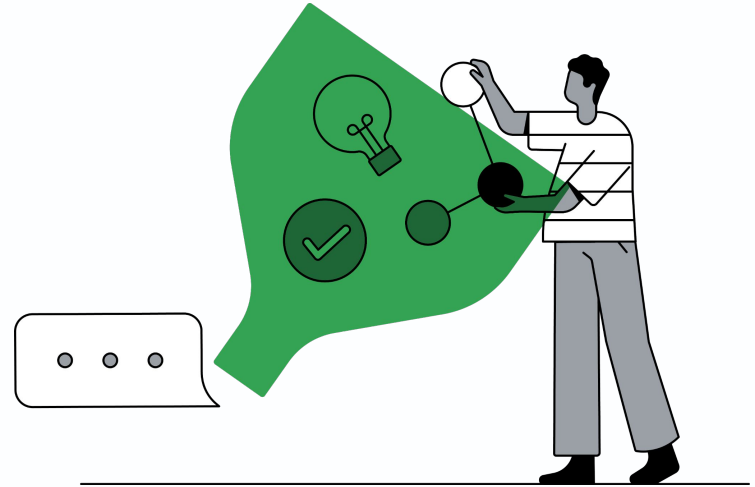
“ I always wait till my data is almost running out, then I exchange the points for data. At the moment, my level is not platinum or diamond, so I can't redeem much. I only spend 200k dong a month, so I'm not a very high status member.

- Heavy app user

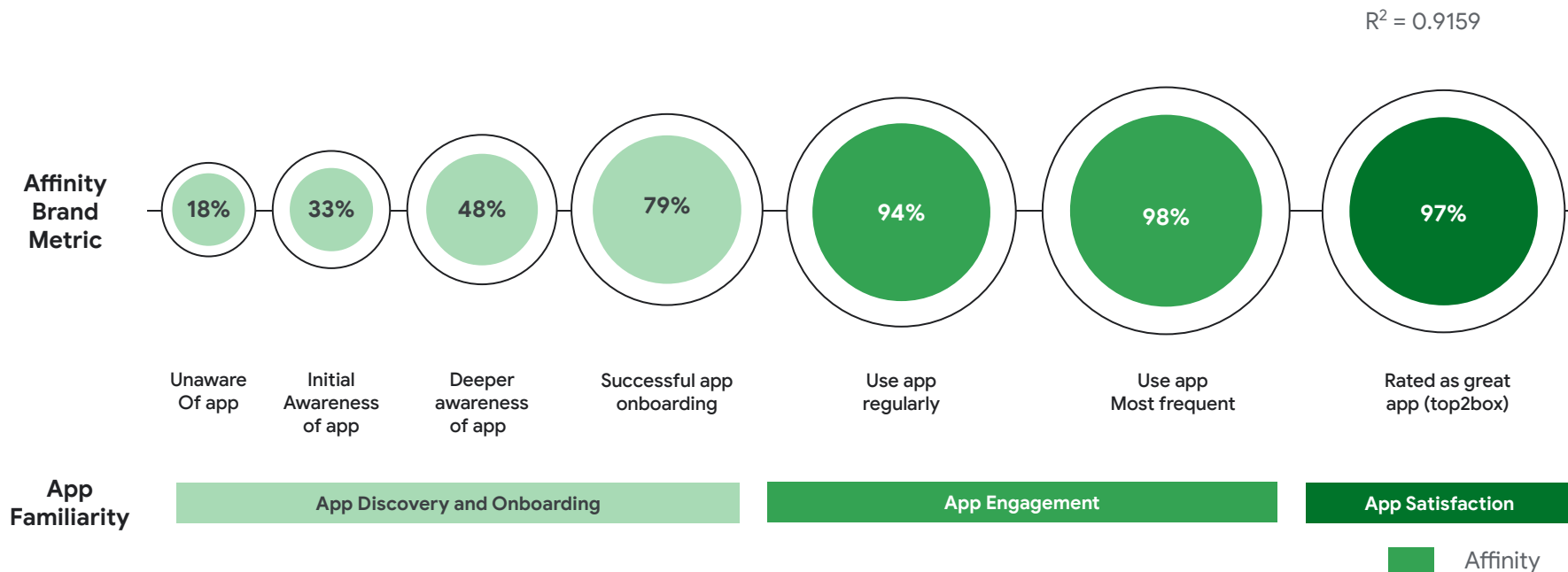


App Satisfaction

How satisfied is the user with the app?



Strong app satisfaction creates a strong link to brand affinity



Multi-functional apps provide anytime convenience and safety during the pandemic

Primary Motivations To App Usage

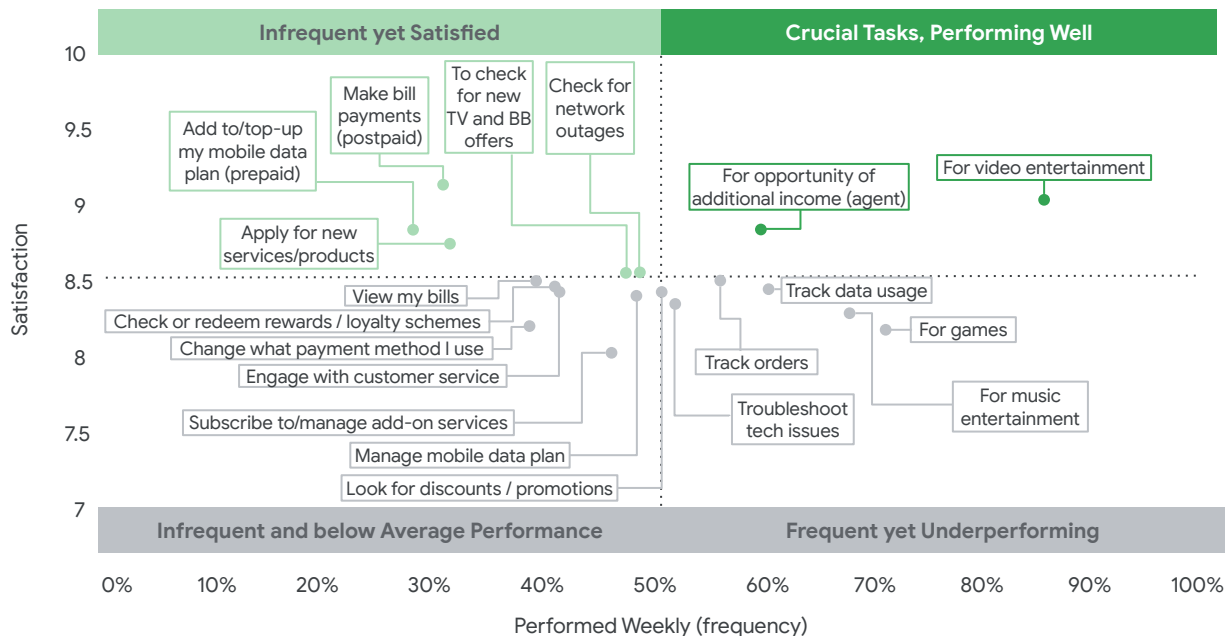
Convenience (% strongly agree)	
I can use them from anywhere and at anytime	47%
They are more convenient than going in-store	43%
I like to redeem loyalty points	38%
I like the ability to top-up my mobile data / pay my bills plan through the app	35%

Secondary Motivations To App Usage

Covid Safety (% strongly agree)		Data Security (% strongly agree)	
They keep me safe during the Covid pandemic	43%	I trust them to keep my details safe	29%
I prefer to use digital payments over cash	36%	App users appear trusting of telco apps - there appears to be few privacy concerns in Vietnam, another reason to promote app usage further.	
Apps are safer than using cash	32%		
Covid has been a catalyst to digital - either through choice or forced but behaviours are changin with a more digital focus			



Many activities seem to be underperforming within telco apps



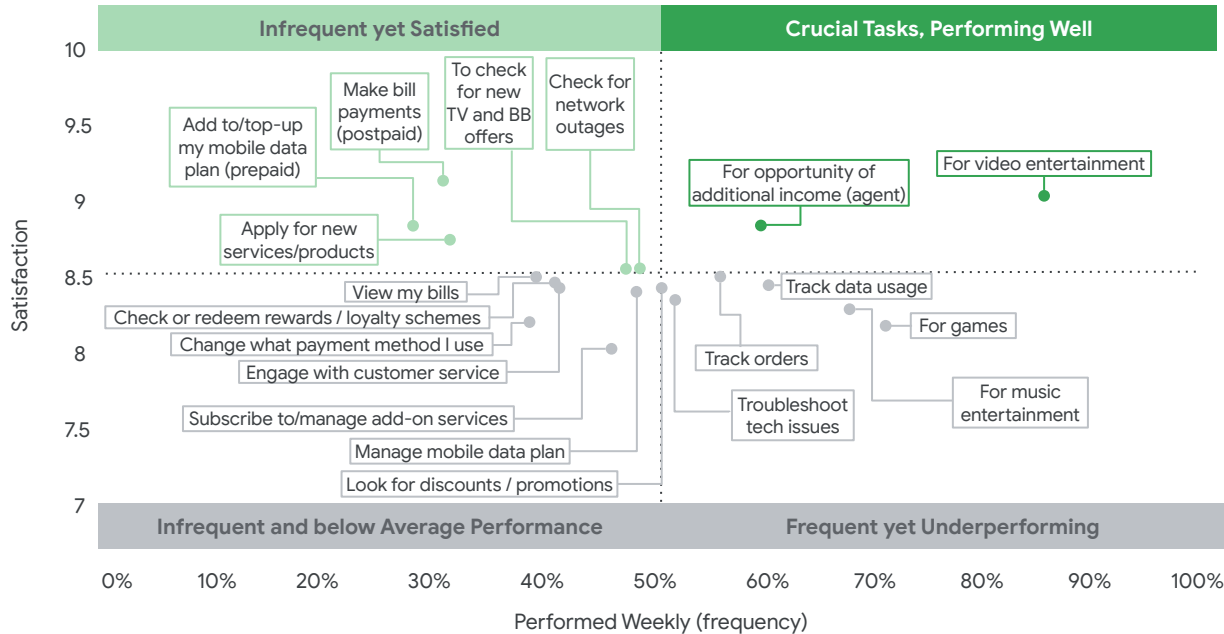
Frequent Activities x Satisfaction

Crucial activities appear to be under-performing which is a red flag for telco apps - basic functions may need improvements.

For example tracking data usage, managing plans are not performed often and are not eliciting strong satisfaction



Entertainment is used regularly among those who access and is performing strongly



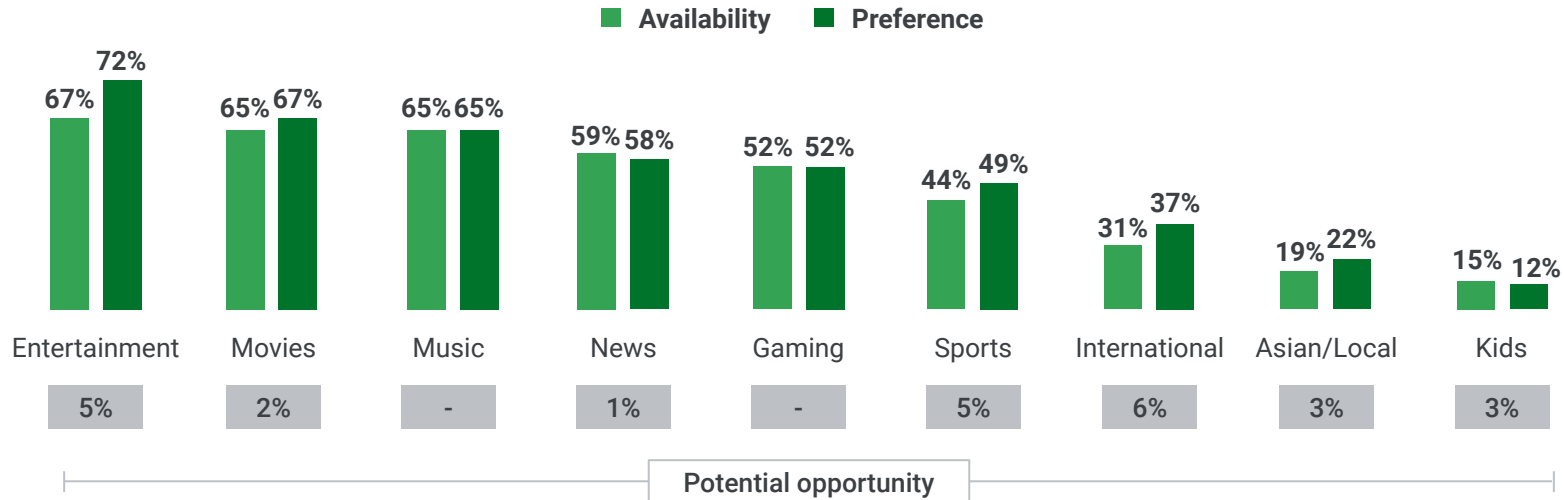
Frequent Activities x Satisfaction

This appears to be an opportunity for telco apps. Those who access games, entertainment and music are doing so regularly - and video entertainment is performing well. These functions should be promoted further - but maybe once basic functions have been improved.



Entertainment, movies and music appeal to Telco app users, with the biggest opportunity potentially in entertainment

What Content Appeals To Telco App Users?



Poor CX will lead to deletion - alongside security concerns or too many distractions (notifications, ads)

Deletion (TOP 10)

It has bugs / keeps crashing	37%
Poor interface	34%
There were too many ads	33%
It takes up too much memory on my smartphone	31%
It gives too many push notifications	30%
I had security and/or privacy concerns	29%
I could not find the products I was after	25%
It seemed to be draining my battery	24%
It's too difficult to use	23%
I don't use it enough	23%

Unsurprisingly, app users will lose patience with apps that deliver a poor and frustrating performance. Updates need to regular to fix bugs and improve features to keep app users happy and frequently using apps. Intrusive notifications push users away - Telco brands need to identify when it's appropriate to notify users or provide flexibility

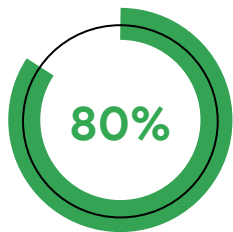
We have seen that security is at the forefront of app users minds and trust levels are high - but any concern will lead to deletion

Smartphone storage is a secondary concern across Thailand as many have lower capacity phones

Telco app deletion is rare as users will be linked to apps by their provider - but there is some evidence of provider switching.	29% do not delete telco apps	44% delete telco apps less often than every few months
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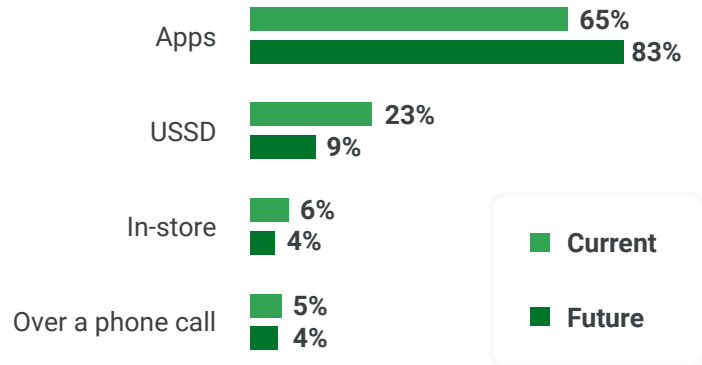


There is a payment shift to apps from USSD; prepaid users are becoming more comfortable with app payments

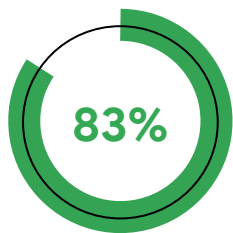


80% of telco app users are paying for their smartphone services through prepaid means

Methods of paying for pre-paid smartphone service



Apps are gaining traction as prepaid users are becoming comfortable with the convenience and ease of use



of prepaid users are intending to go with apps as their preferred payment in the future

Among the 23% of pre-paid users currently using USSD for payment, 61% will look to switch to Apps in the future

Reasons for choosing telco apps

It will be the most convenient option for me	71%
I think it will be easier to manage my plan	53%
It is my current method and I prefer to keep it the same	41%
I've been recommended to update my service via apps	21%
I'm unsure of how to update my service in a different way	13%



Consumers seek a super-app that offers clear advantages in terms of rewards, and improved personalization

Super-app needs to offer advantages over direct

Consumers are highly open to having a telco super-app for the **convenience** of being able to access multiple services and be entertained from just one place. However, the most developed telco apps currently offer non-telco services that **feel inferior to going direct** to specialized apps.

“ I just want to use one app, instead of going to all the different apps on different purposes. I want my spending and activities to all be one app, mobile and internet usage, and shopping, to better manage my spending easily.

- Heavy app user

Build synergies between app functions

There is potential to offer a seamless loyalty programme that allows consumers to earn and redeem across different functions on the app. This can encourage them to **consolidate more spending with the telco** for more rewards.

“ If I connect to Lazada or Tiki from [Telco A], I don't get the full services. And on Lazada or Tiki, I can't use Telco App A]. There's too many limitations.

- Light app user

Personalize to better meet consumer needs

One major pain point reported by consumers is the **sheer volume of notifications** they receive from telco apps, much of which is not relevant to their needs. **Aside from personalizing notifications, a customized homepage** can also help them better navigate to their preferred app functions.

“ Now, we receive a lot of advertisement SMS. It's so annoying. But if I cancel, I won't see the relevant promotions, so I have to suffer through it. I wish I can not receive unnecessary promotions, like football which I'm not interested in.

- Light app user



Telco users want brands to innovate towards different payment options, stronger security, and multi-functionality

E-wallets



E-wallets are becoming more common, as telco users begin to adopt this payment method. However, some are still finding it difficult to use their e-wallets with their Telco apps. Brands should be making payment methods a seamless experience to lower any potential stresses, particularly when it comes to finances

- “**Linking** with e-wallets.”
- “**Integrated** e-wallet.”
- “I can top-up for friends or relatives through **QR codes**.”
- “**Connect more** with many other **e-wallets**.”
- “**Integrate payments with even more merchants** and commerce platforms.”
- “The **money transfer** feature is a **bit difficult to use**.”



Telco users want brands to innovate towards different payment options, stronger security, and multi-functionality

App Satisfaction

5

Digital Safety



Serving customers online means protecting details and telcos from any possible threat. As more users come online, either by choice or force due to COVID, people are expecting better security procedures in place moving forwards

- “**Face** recognition.”
- “I want them to **add new features to secure customer information** such as fingerprint security so that I can have more peace of mind and have no fear when my personal information is leaked.”
- “**Information security**, many carriers still have security vulnerabilities.”
- “**Log in with a fingerprint password**, because it takes a long time to enter.”



Telco users want brands to innovate towards different payment options, stronger security, and multi-functionality

Multi-functionality

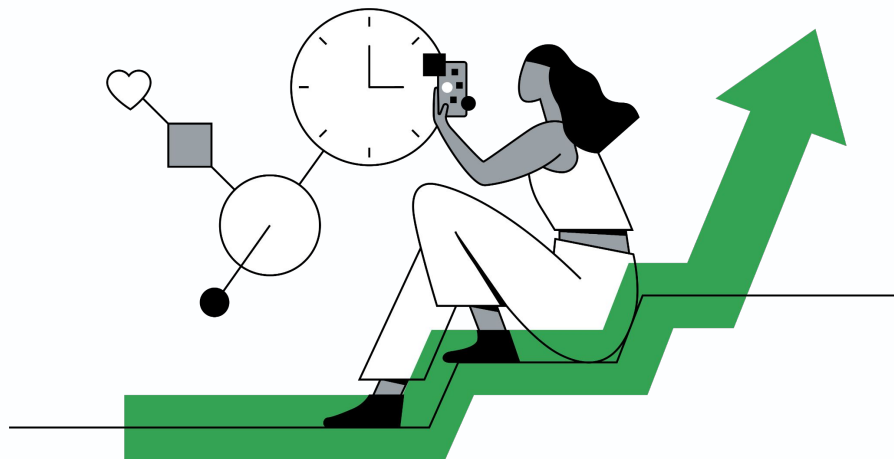


Telcos are in a position to expand beyond mobile data - as people cry out for more convenience, there are opportunities of integrating other activities like entertainment, shopping, payment methods etc. Super apps could be a potential solution

- “**Consolidate functions into one application** instead of many applications that only focus on a specific function. Quick and convenient linking with momo wallet as well as bank card.”
- “Support for **managing my multiple subscriptions.**”
- “Integrate **more features such as buying insurance**, paying bills.”
- “Add the feature to **use money in your phone account to shop online.**”



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