‘THE BIG SQUEEZE’ IS A MAIL METRO MEDIA RESEARCH SERIES THAT TRACKS THE ONGOING IMPACT THAT THE COST OF LIVING CRISIS IS HAVING ON CONSUMERS FINANCES AND BEHAVIOURS ACROSS A BROAD RANGE OF CATEGORIES.

EACH WEEK WE ASK OUR MATTERS COMMUNITY MEMBERS ABOUT THEIR BEHAVIOURS IN ONE CATEGORY TO ASCERTAIN IF AND HOW IT HAS BEEN IMPACTED BY THE COST OF LIVING CRISIS.

OUR AIM IS TO OFFER USEFUL INSIGHTS AND PRACTICAL GUIDANCE ON HOW BRANDS CAN NAVIGATE THIS DIFFICULT AND TUMULTUOUS PERIOD.

THIS WEEK WE’RE FOCUSING ON MOBILE PHONES AND MOBILE PHONE NETWORKS. WE WANTED TO FIND OUT HOW THE RISE IN THE COST OF LIVING IMPACTS CONSUMER CHOICE AND BEHAVIOURS IN THE TELECOMS CATEGORY.
Within this research we asked our readers what mobile phones they have, what network they are on and when they plan on upgrading. We also asked them about their perceptions of mobile network providers and how the cost of living has impacted their behaviours in this category.

**APPROACH:**
20 mins online survey, respondents recruited through Matters Community

**FIELDWORK DATES:**
22\text{nd} July 2022 – 28\text{th} July 2022

**SAMPLE:**
721 participants

Weighted to be representative of the MMM weekly audience by gender and age
WHAT WILL WE COVER?

1. KEY FINDINGS
2. TELECOMS AND THE BIG SQUEEZE – CONTEXT
3. TELECOMS AND THE BIG SQUEEZE – TRENDS
4. MOBILE NETWORK - BRAND OVERVIEW
5. IMPLICATIONS FOR ADVERTISERS
6. APPENDIX
KEY FINDINGS
CONTROLLING SPENDING

• Less than 1 in 10 have switched network providers in order to control their spending. Even though some are staying loyal to their providers, they are making plans to control spending.

DELAYERS

• Many are delaying their plans to upgrade their phone - 3 in 4 are keeping their current phone longer than usual.

ON THE LOOK OUT

• Others are proactively reviewing cheaper options, with 3 in 4 seeking our affordable deals and 3 in 5 re-considering their phone plan.

ADJUSTERS

• Some are adjusting their current phone plans by looking into plans with added extras and looking to get a discount with more than one plan.

KEY FINDINGS

SUMMARY
KEY FINDINGS

SUMMARY

• Tesco Mobile trumps all other mobile network brands when it comes to value for money and good deals. Other brands that ranked well are GiffGaff, VOXI, EE and Three.

VALUE FOR MONEY

• Tesco Mobile ranked at the top for VFM as they offer inexpensive deals and provide helpful customer service. Meanwhile, GiffGaff and VOXI offer great value deals.

OFFER GOOD DEALS ON PHONES

• Tesco Mobile provide customers with cheap prices and flexible contracts, while EE and Three offer the best deals that cater to the lifestyles of different consumers.

OFFER GOOD DEALS ON DATA / MINUTES

• Tesco Mobile offer cheap boosts and simple tariffs, whereas GiffGaff and VOXI are better at flexible deals by providing data packages which doesn’t tie consumers down to a contract.
“TELECOMS AND THE BIG SQUEEZE - CONTEXT”
CONSUMERS ARE CONTINUING TO MAKE CONSCIOUS MEASURES TO CONTROL THEIR SPENDING – ONLY 7% HAVE SWITCHED NETWORK PROVIDERS IN THE LAST 12 MONTHS

Q - Which, if any, of the following changes have you consciously made to control your spending in the last 12 months?

<table>
<thead>
<tr>
<th>RANK</th>
<th>Change</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Eating out less / cutting down on takeaways</td>
<td>46%</td>
</tr>
<tr>
<td>2</td>
<td>Cutting down on having the heating on</td>
<td>38%</td>
</tr>
<tr>
<td>3</td>
<td>Cutting back on non-essential vehicle journeys</td>
<td>36%</td>
</tr>
<tr>
<td>4</td>
<td>Shopping at discount stores</td>
<td>33%</td>
</tr>
<tr>
<td>15</td>
<td>Switched network providers</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: Tracking – July 2022 | Cost of Living – February 2022
Base: 707 respondents | 326 respondents
HOWEVER 1 IN 3 ARE PLANNING TO REPLACE THEIR MOBILE PHONES WITHIN THE NEXT 12 MONTHS – THIS MEANS THERE IS LIKELY TO BE INCREASED SCRUTINY IN THE SECTOR AS COST OF LIVING CRISIS BITES

Q – When do you think you will replace your main smartphone/mobile phone?

Source: Telco Matters Community Survey (July 2022)
Base: 702 Respondents

Replacing mobile phone within
The next 12 months

31%

18-34: 55%
35-54: 29%
55+: 20%

= Significant at 95% confidence

Replacing Mobile Phone in the Next 12 Months - Demographics

<table>
<thead>
<tr>
<th>Within the next 3 months</th>
<th>Between the next 4 - 6 months</th>
<th>Between the next 7 months - 1 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>18-34</td>
<td>35-54</td>
</tr>
<tr>
<td>6%</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>11%</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>14%</td>
<td>12%</td>
<td>10%</td>
</tr>
</tbody>
</table>

* = Warning: low base
BUYING OUTRIGHT IN ONE PAYMENT IS THE MOST POPULAR METHOD OF PURCHASE. 1 IN 6 PREFER BUYING OUTRIGHT VIA FINANCE - RISING TO 1 IN 4 IN UNDER 35s

Q – Thinking about buying a mobile phone, which are you most likely to purchase at this time? When buying a phone, what payment method would you prefer at this time?

Source: Telco Matters Community Survey (July 2022)
Base: 172 Respondents

#1 Price is the most important factor when choosing a mobile phone (73%) or mobile network (59%)

Mobile Phone Purchasing Method

<table>
<thead>
<tr>
<th>Method</th>
<th>Total</th>
<th>*18-34</th>
<th>*35-54</th>
<th>55+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buy outright in one payment</td>
<td>44%</td>
<td>45%</td>
<td>43%</td>
<td>43%</td>
</tr>
<tr>
<td>Purchase via contract</td>
<td>34%</td>
<td>38%</td>
<td>25%</td>
<td>42%</td>
</tr>
<tr>
<td>Buy outright via finance (e.g. spread the cost over monthly instalments)</td>
<td>16%</td>
<td>26%</td>
<td>11%</td>
<td>7%</td>
</tr>
</tbody>
</table>

* = Warning: low base
“TELECOMS AND THE BIG SQUEEZE – CHANGING BEHAVIOURS”
Which, if any, of the following have you done recently / or do you intend to do when looking for a new mobile phone / network provider deal?

(Base: replacing phone within next 12 months)

- Keep my current mobile phone for longer than I would have done in the past: 71%
- Delay my plans on upgrading my mobile phone contract: 65%

Source: Telco Matters Community Survey (July 2022)
Base: Replacing Phone Within the Next Year, 228 Respondents.
Q – Which, if any, of the following have you done recently / or do you intend to do when looking for a new mobile phone / network provider deal?

(Base: replacing phone within next 12 months)

- **Seek out affordable mobile phone / network provider deals**
  - Have Done: 27%
  - Intend To Do: 24%
  - Neither: 49%

- **Re-consider my mobile phone plan (e.g. switch from contract to SIM only)**
  - Have Done: 38%
  - Intend To Do: 36%
  - Neither: 26%

- **Look to change providers for an equivalent of my current plan, but for a cheaper deal**
  - Have Done: 41%
  - Intend To Do: 39%
  - Neither: 20%

Source: Telco Matters Community Survey (July 2022)
Base: Replacing Phone Within the Next Year, 228 Respondents.
Q: Which, if any, of the following have you done recently / or do you intend to do when looking for a new mobile phone / network provider deal?

(Base: replacing phone within next 12 months)

READERS ARE CONSIDERING BUNDLES OR ARE LOOKING AT ADJUSTING THEIR PLANS TO GET MORE VALUE FOR MONEY

- Look into mobile phone plans with added extras (e.g. streaming services, broadband) to reduce my overall spend
  - HAVE DONE: 23%
  - INTEND TO: 42%
  - NEITHER: 35%

- Look to getting a discount with more than one plan (e.g. moving family to the same provider)
  - HAVE DONE: 21%
  - INTEND TO: 21%
  - NEITHER: 56%

- Reduce the data allowance in my mobile phone plan
  - HAVE DONE: 46%
  - INTEND TO: 33%
  - NEITHER: 11%

Source: Telco Matters Community Survey (July 2022) Base: Replacing Phone Within the Next Year, 228 Respondents.
HALF WOULD CONSIDER A SECOND-HAND/REFURBISHED PHONE TO SAVE MONEY – THERE IS BROAD AGREEMENT THAT SMARTPHONES SHOULD BE RECYCLED

Q – Which, if any, of the following have you done recently / or do you intend to do when looking for a new mobile phone / network provider deal?
Q - How much do you agree or disagree with the following statements about mobile phones & technology?

50% HAVE DONE / INTEND TO

- Consider buying a second-hand / refurbished phone to save money

86%

- All smartphones should be recycled after use

63%

- Buying a refurbished smartphone is a good way to reduce your carbon footprint

Source: Telco Matters Community Survey (July 2022)
Base: 702 Respondents
MOBILE NETWORK - BRAND OVERVIEW
TESCO MOBILE, GIFFGAFF AND VOXI TOP FOR ‘VALUE FOR MONEY’

Tesco Mobile’s inexpensive deals and helpful service are popular. GiffGaff and VOXI offer value deals that are suitable for all types of consumers – especially VOXI for young adults.

Source: Telco Matters Community Survey (July 2022)
Base: 702 Respondents | Awareness of Brands

Value for Money

<table>
<thead>
<tr>
<th>Network Provider Brand</th>
<th>Total</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>EE</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>BT</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>GiffGaff</td>
<td>42%</td>
<td></td>
</tr>
<tr>
<td>Vodafone</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>O2</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Virgin Mobile</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Three</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Sky Mobile</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Tesco Mobile</td>
<td>47%</td>
<td></td>
</tr>
<tr>
<td>TalkTalk</td>
<td>11%</td>
<td></td>
</tr>
</tbody>
</table>

“Tesco offer excellent deals that are not too expensive and I can go to the store for help and advice.” – Male, 55+

“They are great value and give me a good deal for what I pay.” – Female, 18-34

“It has the best offers for young adults.” – Male, 18-34
TESCO MOBILE, EE AND THREE TOP FOR ‘GOOD DEALS ON PHONES’

Tesco Mobile offer cheap prices and flexible contracts, while EE and Three have the best deals that cater to the lifestyles of different types of consumers. Affordable pricing matched with a reasonable amount of data is a key selling point.

Q - When thinking about network providers, which, if any, of the following words or phrases do you associate with [Network Provider Brand]?

NET = Any Agree

Offers Good Deals on Phones

BRAND VS. BENCHMARK

“Cheap prices, flexible contract and easily accessible.” – Male, 18-34

“It had the best deal for price and the amount of data it’s giving me.” – Female, 18-34

“It offered the most reasonable deal at the time for my lifestyle.” – Female, 55+

Source: Telco Matters Community Survey (July 2022)
Base: 702 Respondents | Awareness of Brands
TESCO MOBILE, GIFFGAFF AND VOXI OFFER ‘BEST DEALS ON DATA’

Tesco Mobile offer simple tariffs and cheap boosts on deals, whereas GiffGaff and VOXI have cheap data packages without tying consumers down to a contract. Boosters and flexibility on data are the key selling points.

Source: Telco Matters Community Survey (July 2022)
Base: 702 Respondents | Awareness of Brands

Q - When thinking about network providers, which, if any, of the following words or phrases do you associate with [Network Provider Brand]?

NET = Any Agree

<table>
<thead>
<tr>
<th>Network Provider</th>
<th>Offers Good Deals on Data / Minutes</th>
</tr>
</thead>
<tbody>
<tr>
<td>EE</td>
<td>Total: 21%, Benchmark: 10%</td>
</tr>
<tr>
<td>BT</td>
<td>Total: 29%, Benchmark: 23%</td>
</tr>
<tr>
<td>Vodafone</td>
<td>Total: 14%, Benchmark: 9%</td>
</tr>
<tr>
<td>GiffGaff</td>
<td>Total: 29%, Benchmark: 23%</td>
</tr>
<tr>
<td>O2</td>
<td>Total: 23%, Benchmark: 18%</td>
</tr>
<tr>
<td>Sky Mobile</td>
<td>Total: 10%, Benchmark: 9%</td>
</tr>
<tr>
<td>Three</td>
<td>Total: 25%, Benchmark: 10%</td>
</tr>
<tr>
<td>Virgin Mobile</td>
<td>Total: 20%, Benchmark: 14%</td>
</tr>
<tr>
<td>Tesco Mobile</td>
<td>Total: 33%, Benchmark: 21%</td>
</tr>
<tr>
<td>TalkTalk</td>
<td>Total: 25%, Benchmark: 10%</td>
</tr>
</tbody>
</table>

**BRAND VS. BENCHMARK**

- **TESCO mobile**
  - “Cheapest boosts I could find for texts, calls and data.” – Male, 35-54
  - “Simple tariffs and a good reputation.” – Male, 55+

- **giffgaff**
  - “Cheap data packages, no contract so can cancel anytime.” Female, 18-34

- **VOXI**
  - “It’s cheap, good deals and only on a month to month contract.” – Female, 35-54
IMPLICATIONS FOR ADVERTISERS
IMPLICATIONS FOR ADVERTISERS

THEMES THAT MATTER

SHOWCASE VALUE DEALS
Many are proactively seeking out cheaper deals or delaying plans to upgrade their phones or contracts. Highlight your VFM credentials to retain existing customers and to entice consumers from other brands and networks.

CUSTOMISABLE PLANS
Offer flexible and customisable plans that cater to the diverse range of consumers lifestyles and the everchanging impact of the cost of living crisis. Communicate to consumers that you are willing to help by creating the right plans for them.

BIG UP THE BUNDLES
Some consumers are looking into bundle deals to reduce overall spend on telecoms and other subscriptions. Reconsider bundle offers by partnering with industry sectors where Brits are controlling their spending in i.e. 46% are eating out less, could Tastecards be offered?

PROVIDE A RANGE OF OFFERINGS
Consider that those on contracts may want a sim only deal or pay as you go packages. Consider introducing PAYG packages for data, international calls or roaming.

GREEN CREDENTIALS
Brands can encourage consumers to recycle their mobile phones and buy second hand or refurbished phones to boost their green credentials. Educate consumers on how they can reduce their carbon footprint.

HOLDING BACK ON UPGRADING
3 in 4 readers who are due an upgrade are planning to, or are keeping, their current mobile phone for longer than usual.

SEEKING MORE AFFORDABLE DEALS
3 in 4 readers are seeking out more affordable mobile phone / network provider deals.

ADJUSTING EXISTING PLANS
2 in 3 readers are looking into mobile phone plans with added extras to reduce their overall spend.

REDUCING CARBON FOOTPRINT
9 in 10 readers agree all smartphones should be recycled after use, 1 in 2 would consider a second hand / refurbished phone.

FLEXIBLE PLANS AND PAYMENT METHODS
1 in 4 of younger readers are considering purchasing a phone via finance.

BIG FOUR ARE POOR FOR VFM
Tesco mobile, GiffGaff and VOXI rule on value for money due to their affordable deals, simple tariffs and flexible data packages.
“APPENDIX”
4 IN 5 SAY IT’S OFTEN TOO EXPENSIVE TO GET THE LATEST SMARTPHONE – HAVING A PHONE WITH THE LATEST FEATURES IS NOT APPEALING TO EVERYONE

Q - How much do you agree or disagree with the following statements about mobile phones & technology?

* = Warning: low base

- **84%**
  - It’s often too expensive to get the latest smartphone models as soon as they are released
  - 18-34: 73%  35-54: 86%  55+: 87%

- **44%**
  - Price is not the most important factor when buying a smartphone
  - 18-34: 50%  35-54: 47%  55+: 40%

- **34%**
  - It’s worth spending more to have the latest features (e.g. 5G, high resolution camera)
  - 18-34: 63%  35-54: 38%  55+: 17%

Source: Telco Matters Community Survey (July 2022)
Base: 702 Respondents

= Significant at 95% confidence
**IMPORTANT FACTORS WHEN PURCHASING A CONTRACT**

Data allowance, number of minutes and length of contract are top important factors, however younger audiences value 5G and loyalty schemes

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Q - Imagine you were to purchase a mobile phone contract tomorrow, setting aside cost/price, what do you think would be the biggest influences on your purchase decision?

<table>
<thead>
<tr>
<th>ALL ADULTS</th>
<th>18-34</th>
<th>35-54</th>
<th>55+</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DATA ALLOWANCE</strong></td>
<td>72%</td>
<td>64%</td>
<td>58%</td>
</tr>
<tr>
<td><strong>NUMBER OF MINUTES</strong></td>
<td>58%</td>
<td>50%</td>
<td>42%</td>
</tr>
<tr>
<td><strong>LENGTH OF CONTRACT</strong></td>
<td>52%</td>
<td>49%</td>
<td>54%</td>
</tr>
<tr>
<td><strong>NUMBER OF TEXTS</strong></td>
<td>50%</td>
<td>38%</td>
<td>50%</td>
</tr>
<tr>
<td><strong>5G</strong></td>
<td>31%</td>
<td>40%</td>
<td>25%</td>
</tr>
<tr>
<td><strong>LOYALTY SCHEMES</strong></td>
<td>38%</td>
<td>34%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Base: 721 Respondents

Source: Telco Matters Community Survey (July 2022)
**IMPORTANT FACTORS WHEN PURCHASING A MOBILE PHONE**

Battery length and storage space are top important factors, however younger audiences value camera quality, older audiences value the brand/make and screen size, while parents value screen size and speaker quality.

Q - Which, if any, of the following features / capabilities are most important to you when choosing a mobile phone?

<table>
<thead>
<tr>
<th></th>
<th>ALL ADULTS</th>
<th>18-34</th>
<th>35-54</th>
<th>55+</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BATTERY LENGTH</strong></td>
<td>64%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>STORAGE SPACE</strong></td>
<td>57%</td>
<td>60%</td>
<td>53%</td>
<td>61%</td>
</tr>
<tr>
<td><strong>CAMERA QUALITY</strong></td>
<td>55%</td>
<td>61%</td>
<td>55%</td>
<td></td>
</tr>
<tr>
<td><strong>SCREEN SIZE</strong></td>
<td>46%</td>
<td></td>
<td>47%</td>
<td></td>
</tr>
<tr>
<td><strong>OS (iOS / Android)</strong></td>
<td>44%</td>
<td></td>
<td>47%</td>
<td></td>
</tr>
<tr>
<td><strong>SCREEN RESOLUTION</strong></td>
<td>40%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Operation System (iOS / Android) 43%**

**Screen Size 61%**

**Storage Space 60%**

**Operating System (iOS / Android) 47%**

Source: Telco Matters Community Survey (July 2022)
Base: 228 Respondents | Replacing Phone in the Next 12 Months
TEXT MESSAGES, VOICE CALLS AND E-MAILS ARE THE TOP ACTIVITIES

Younger audiences and parents are less likely to have voice calls and more likely to browse social media, have video calls and watch videos.

Q - For what do you currently use your mobile phone?

<table>
<thead>
<tr>
<th>Mobile Phone Activities</th>
<th>Total</th>
<th>18-34</th>
<th>35-54</th>
<th>55+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Messages via text</td>
<td>86%</td>
<td>88%</td>
<td>88%</td>
<td>85%</td>
</tr>
<tr>
<td>Voice calls</td>
<td>83%</td>
<td>70%</td>
<td>80%</td>
<td>85%</td>
</tr>
<tr>
<td>E-mail</td>
<td>78%</td>
<td>85%</td>
<td>71%</td>
<td>82%</td>
</tr>
<tr>
<td>Messaging apps (e.g. Whatsapp, Telegram, iMessage)</td>
<td>76%</td>
<td>79%</td>
<td>82%</td>
<td>70%</td>
</tr>
<tr>
<td>Social media (e.g. Instagram, Facebook Messenger, Snapchat)</td>
<td>60%</td>
<td>73%</td>
<td>41%</td>
<td>63%</td>
</tr>
<tr>
<td>Video calls</td>
<td>44%</td>
<td>52%</td>
<td>28%</td>
<td>41%</td>
</tr>
<tr>
<td>Watching videos</td>
<td>41%</td>
<td>54%</td>
<td>16%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Telco Matters Community Survey (July 2022)
Base: 702 Respondents