

Friday, 6 October 2017

## 'Belong' launch set to shake up mobile category

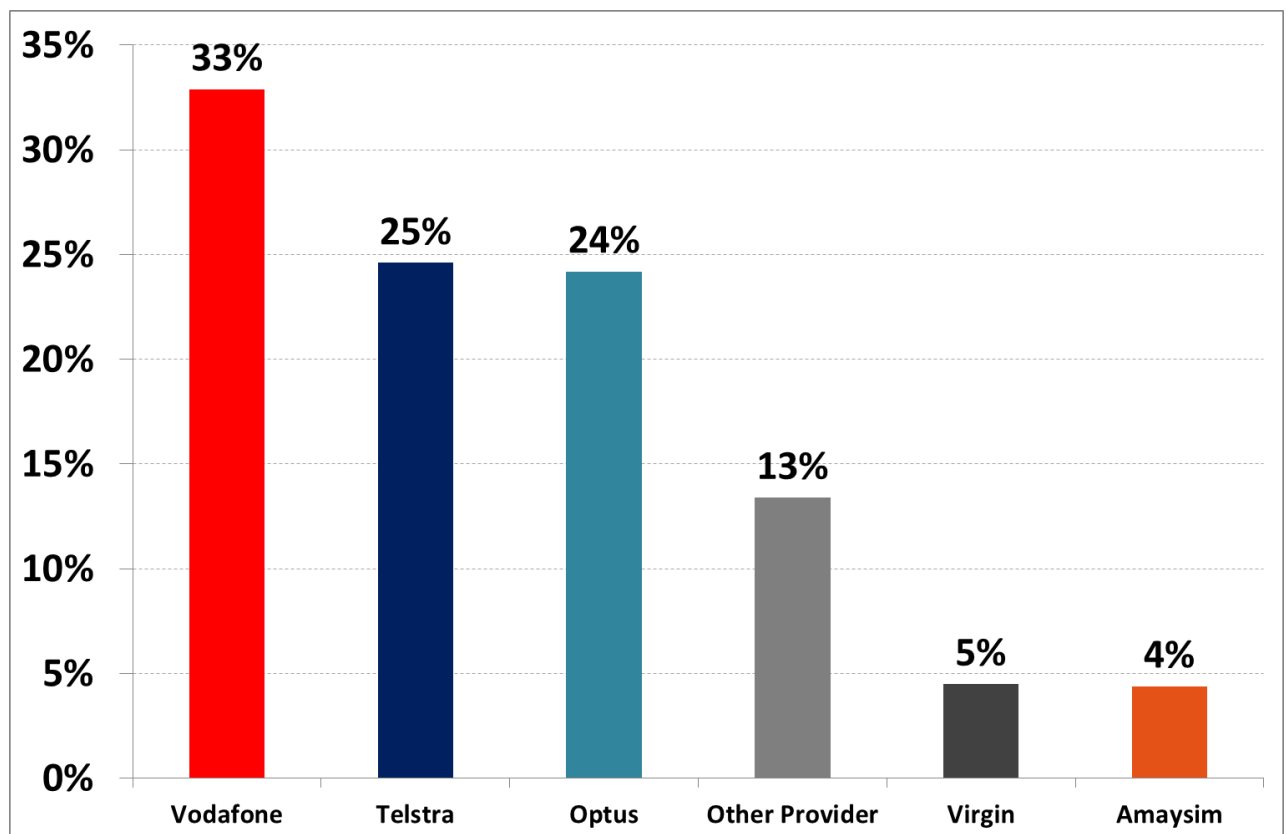
**Telstra subsidiary Belong this week launched its new mobile phone service and the low-cost brand is set to intensify competition in the 20 million plus Australian mobile phone market.**

New research shows an estimated 170,000 Australians 14+ already use the Belong fixed broadband service. These customers are a natural first target for the new mobile phone service – deeper analysis of these customers shows 33% currently have their mobile phone service with Vodafone.

In their first four years Belong broadband has clearly signed up a disproportionate number of Vodafone mobile customers (33%). Vodafone's share of the wider mobile market is only 17%.

In contrast, only 25% of Belong's broadband customers have a Telstra mobile phone contract compared to Telstra's wider mobile market share of 43%.

### Mobile Service Provider of Belong Fixed Broadband Customers



*Source: Roy Morgan Single Source, March to August 2017, sample =212 Australians aged 14+ with a Belong broadband service. Numbers sum to over 100% due to some customers having multiple mobile phones.*

Optus' share of 24% of Belong fixed broadband customers is in line with its overall mobile market share of 25% while smaller players including Amaysim are also slightly over-represented amongst Belong broadband customers (4%) when compared to their wider mobile market share (3%).

**Michele Levine, CEO – Roy Morgan Research, says:**

*“The expansion of low-cost Telstra brand Belong into mobile phone service provision this week adds an extra layer of competition to the mobile service provider market following Belong’s initial launch four years ago into the fixed broadband market as a low cost alternative to the established providers.*

*“Roy Morgan deep profiling of the estimated 170,000 Belong fixed broadband customers show they are ‘switchers’ and particularly to get a better deal at cheaper rates. Belong customers have a far higher incidence of switching mobile service provider over the last 12 months and also a far higher likelihood of switching mobile service providers over the next 12 months than the average Australian mobile user.*

*“Belong fixed broadband customers are over twice as likely to choose their internet service provider based on cheaper rates than the overall broadband market.*

*“Belong’s mobile service plans are designed to appeal to cost conscious consumers by offering unlimited ‘data banking’ in which any unused data from their 5GB or 15GB month-to-month data plans can be rolled over into the following month and ‘data gifting’ which allows Belong customers to give their unused data to other Belong mobile users.*

*“‘Data banking’ is an innovative customer retention strategy for Belong – why change plans when you’ve accumulated a substantial degree of unused data while ‘data gifting’ is a classic example of attempting to exploit network effects to grow their customer base.*

*“These findings suggest rival mobile service provider Vodafone – which has a disproportionately high share of Belong fixed broadband customers and also has a customer base who are drawn to cheaper rates, has the most to worry about from Belong’s new mobile service.*

*“The mobile market just got more competitive.....”*

**To learn more about Roy Morgan’s mobile phone research, call (+61) (3) 9224 5309 or email [askroymorgan@roymorgan.com](mailto:askroymorgan@roymorgan.com).**

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**About Roy Morgan Research**

Roy Morgan Research is the largest independent Australian research company, with offices throughout Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years’ experience in collecting objective, independent information on consumers.

**Margin of Error**

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
20,000	±0.7	±0.6	±0.4	±0.3