BCG Telco Consumer Behavior Survey

Findings on the Kingdom of Saudi Arabia (KSA)

We surveyed 13 digital nations

KSA, Australia, Belgium, Finland, France, Germany, Italy, Japan, Norway, Portugal, Spain, UK, US

…analyzed COVID-19 impact on

- Consumer expectations
- Consumer behavior
- Sales & service channels

COVID-19 & the following lockdown led to consumer behavior changes - some are structural while others are temporary

Temporary changes
Short term changes impacting KSA's ICT consumer behavior now and expected to subside post-COVID-19 and return to pre-crisis level

Structural changes
Fundamental, long-lasting changes in the way that KSA's ICT consumers will behave and are expected to continue post COVID-19, and shape the "new-normal"

Temporary changes — Structural changes

1. **Perceived importance of telco services**
The perceived importance of telcos increased during COVID-19 and is expected to continue rising post-crisis in KSA and all countries surveyed

2. **Time spent on video conferencing**
Increased in time spent on video conferencing and other content consumption changes are expected to last post-COVID-19

3. **Demand for digital channels**
Increasing prior to crisis; to continue increasing post-crisis for both mobile & fixed broadband providers

Perceived importance of mobile connections & fixed broadband expected to rise in KSA & all countries surveyed post COVID-19 lockdown

	Before lockdown	After lockdown
Perceived importance of mobile plan (pre-& post paid) before and after lockdown, in % — KSA	18	22
Average of countries surveyed	20	25
Perceived importance of fixed broadband before and after lockdown, in % — KSA	25	28
Average of countries surveyed	30	33

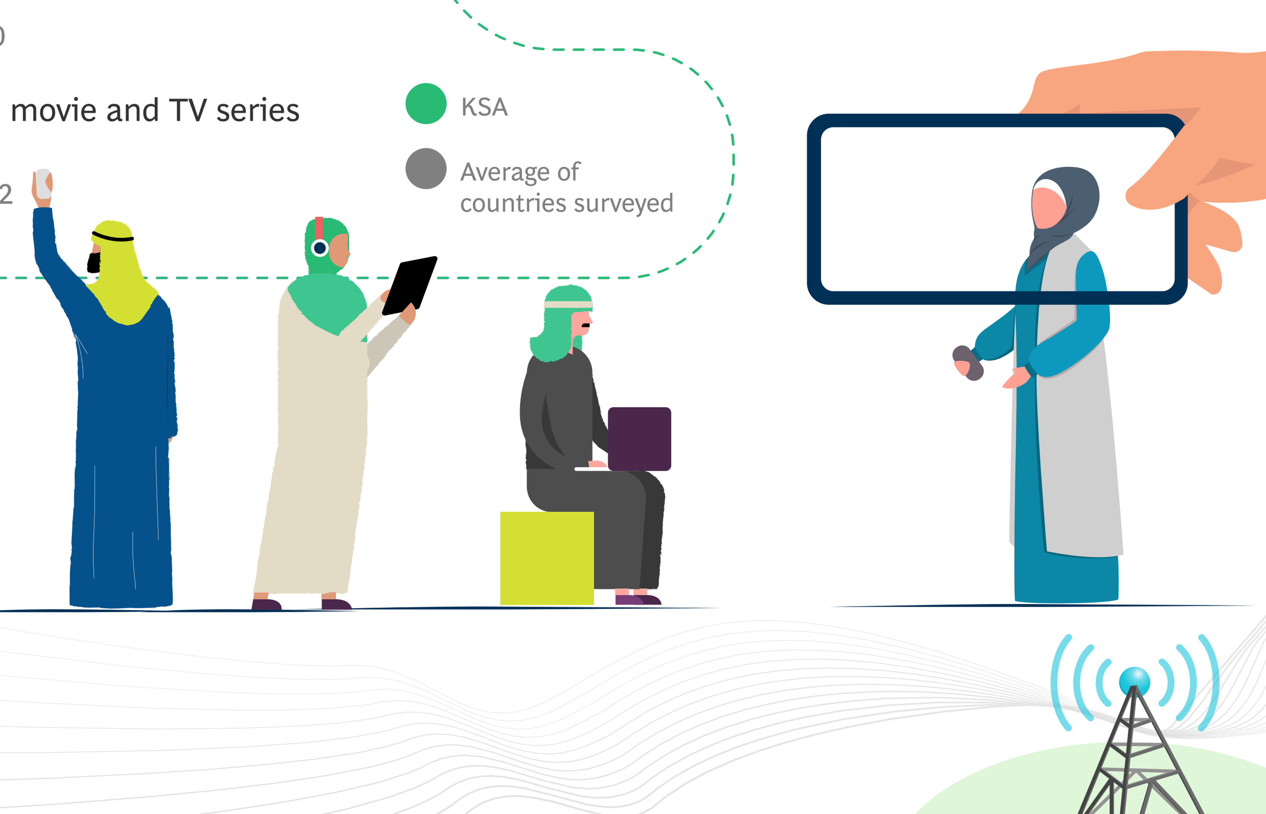
KSA · Average of countries surveyed

During COVID-19, consumption in KSA increased the most for video conferencing, online music and lifestyle content

Increase in hours spent during COVID-19 vs before COVID-19, in %

	KSA	Average of countries surveyed
Video conferencing	63	55
Online education course	28	32
Lifestyle content[1]	32	26
Online music	28	16
Online gaming on PC/Mobile	19	20
Paid online movie and TV series	17	22

In KSA, **53%** expect their behavior changes to last beyond the lockdown, which is aligned with average **50%** of countries surveyed



Retail channels to decrease in importance, digital channels to increase after COVID-19

~15% Increase of **digital channels** as preferred way of interaction

~8% Decrease of **call channels** as preferred way of interaction

~23% Decrease of **retail channels** as preferred way of interaction

Four action points for KSA telcos and sectoral decision-makers to address the behavioral change.

Improve digital channels experience
Strong consumer preference for digital channels for sales and support services has emerged.

Telcos must focus on providing seamless digital channel experience.

Clearly articulate brand value proposition
The perceived importance of telco services is expected to increase post-crisis in comparison to pre-crisis.
KSA telcos should focus on the continued delivery of strong services to consumers to emphasize the brand's value proposition and also to enhance perception and value for money to drive consumer decisions.

Maintain emphasis on telcos to improve service quality
KSA should build on the positive experience delivered through stable connectivity to its consumers, and continue rolling out state-of-the-art infrastructure and improve the reliability of services.

Ensure affordable pricing for products & services
Given the economic pressures and anticipated decrease in overall standards of living due to the circumstances of the pandemic, decision-makers must ensure that telcos and service providers maintain affordable pricing.

Sources: BCG Telco Consumer Behavior Survey, BCG Telco Consumer Behavior Survey (N=2.000 for USA, N=500 for Norway, N=1.000 for each KSA, Italy, Japan, Finland, Germany, UK, Australia, Spain, France, Belgium)

Notes:
Perceived importance of telco products/services before, during and after lockdown in %, calculated as percentage of respondents per country who indicated that for them, a failure of core telco products (pre- and post-paid mobile, fixed BB, cable/satellite TV) would have a critical impact. Question: How strongly would a 24h failure of one of the following products / services affect you personally? N=2.000 for USA, N=500 for Norway, N=1.000 for each KSA, Italy, Japan, Finland, Germany, UK, Australia, Spain, France, Belgium

Increase in hours spent during Covid-19 vs before Covid-19, in %, calculated as a weighted average based on the following time range: 0 hours, 0-0.5 hours, 0.5-2 hours, 2-4 hours, more than 4 hours; Video conferencing incl. work-related and personal, Phone calls incl. with mobile and landline phone, Pay/cable tv incl. normal & premium channels; Source: BCG Telco Consumer Behavior Survey (N=2.000 for USA, N=500 for Norway, N=1.000 for each KSA, Italy, Japan, Finland, Germany, UK, Australia, Spain, France, Belgium)

Footnotes:
[1] Lifestyle content includes fitness/wellness apps such as Headspace, Calm, Peloton