



Media release

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**Smart Aussies have saved more than \$600m by shutting the door on mobile hopelessness  
*amaysim and Macquarie University unveil 'State of the Mobile Nation'***

Sixteen per cent of Australian mobile phone users have switched providers in the past year, saving over \$600 million in the process, according to research released today.

On the flipside, misconceptions and feelings of hopelessness around the difficulty and benefits of mobile switching are forcing millions of Australians to simply put up with their current mobile provider, despite one third being unhappy with the service they receive. The research also reveals that many Aussies are in a state of mobile inertia, which is costing them on average more than \$300 per year each, but that the tide is starting to turn as consumers look for better customer service and more simplistic pricing.

The *'State of the Mobile Nation'* preliminary report, from Macquarie University's Faculty of Business and Economics Department of Marketing and Management – with the support of amaysim - has been released to mark the first anniversary of amaysim (which launched on 23 November 2010). The report, which analyses the health of the Australian mobile telecommunications industry, involved in-depth focus groups and a comprehensive survey of 1,600 Australian mobile consumers.

Findings showed that Aussies are set to talk with their feet as half (46%) are either likely or very likely to switch provider in 2012, cashing in on cheaper mobile phone plans and searching for better customer service – starting what could be the turning of the 'switch and save' tide. According to the research poor customer service (30%) and over/under spend on plans (39%) were two of the main reasons people switched mobile service providers in the past 12 months.

Rolf Hansen, founder and CEO of amaysim said: "Since our launch a year ago, we've heard from hordes of people who are fed up and are just biding their time to be set free from their contract and jump ship.

"Even if half of the disgruntled Aussies who are thinking of switching actually do look for greener pastures, we'll see a big shake-up in the coming 12 months. Hundreds of millions of dollars will then go back into Australian wallets, on top of the \$600 million that smart Aussies are currently saving by switching."

Despite the appetite to move to another mobile provider, an astounding 50% of mobile customers think it's difficult to switch providers.

While being locked into contracts is an obvious barrier preventing consumers from changing over (33%), the inability to properly compare deals on the market (32%) and the anticipated time drain and perceived high costs associated with switching (25%) are all key reasons mobile users are delaying their decision.

Dr David Gray, senior lecturer in Marketing from Macquarie University's Faculty of Business and Economics Department of Marketing and Management said that consumer perceptions of the Australian mobile market paint a dismal picture.

"The results show that this market is performing significantly worse than in Europe, with consumers in Australia finding it harder to switch, and they have less trust in their providers. According to the European Commission, mobile telco trust in Europe rates six out of 10. By comparison, our research shows that the Australian public rates mobile telco trust at a dismal four out of 10. With so many consumers planning on switching next year, mobile providers need to wake up and start listening to their customers if they want to keep them."

The study found that having the time to shop around and compare deals is virtually impossible for consumers. For example, one participant in the study said *'Let's say I make 100 phone calls, each lasting ten minutes. How much is that going to cost me? Nobody can tell me'*.

Dr Gray continued: "We believe that this sense of inaction is coming to an end and that in 2012 we will see the start of a surge of switchers. Changes being proposed to make life easier for the Australian mobile consumer, and the newer entrants in the market, will certainly play a key role in this changing mindset."

Rolf Hansen added: "Headline cap plan rates often aren't worth the paper they're written on. Like most bad relationships that eventually sour, they're full of promise to begin with, but it doesn't take long for nasty surprises to pop up and spoil the fun.

"Customers are wising up and demanding better value. When you combine this with parts of the industry that are now starting to move to a more customer-centric way of operating through unit pricing and a stronger focus on customer service, the ball might just be back in the average Aussie's court before too long.

"As we celebrate our first birthday we continue to bring simplicity, transparency and better value to consumers. The last year has seen the first steps in a shakeup of the industry but there is still a lot of work to be done to clear up the honey pot of condition-laden caps. We challenge other telcos to put consumers first and do away with long term contracts.

"Smartphone prices are dropping and the mobile telco industry is shuffling towards a simpler approach. When you combine this with fresh players and new deals on the market, next year is really set to see the Aussie mobile-using public take the reins like never before." Concluded Hansen.

Further information can be found at [www.amaysim.com.au](http://www.amaysim.com.au)

### **Key findings from the preliminary 'State of the Mobile Nation' Report:**

- 16% of adult Australians with a personal mobile phone account have saved an estimated combined total of over \$622 million by switching
- Only 25% of consumers are satisfied with their current provider.
- The average amount consumers saved from switching is \$26.52 per month
- Gen X are the most likely to switch (53%), closely followed by Gen Y (48%)
- 50% of consumers found it hard to switch
- 41% of consumers thought about switching but haven't
- The top reasons consumers switched mobile carriers: inadequate coverage (39%), poor customer service (30%), and under/over spends on their plan (39%)
- The top reasons people don't switch providers are: contracts make it too difficult (33%), it's hard to find the cheapest provider (32%), and the cost and effort required (25%)

## **amaysim milestones to date:**

- November 2010: Launched amaysim 'AS YOU GO' and 100 per cent Australian-based customer service centre
- June 2011: Launched amaysim 'UNLIMITED'
- September 2011: Launched amaysim 'MOBILE BROADBAND'
- November 2011: amaysim SIM available in more than 12,000 retail outlets, with recharge is available in over 22,000 outlets, in addition to online at [www.amaysim.com.au](http://www.amaysim.com.au)

**Ends**

## **Notes to editors**

### **About amaysim**

amaysim is changing the way people think about mobile phone plans and is helping to Uncap Australia. Founded in November 2010 in Australia by a team of Australian and European entrepreneurs, amaysim is Australia's first low cost mobile service provider. With a plan for most Australians, both *amaysim As You Go* and *amaysim Unlimited* deliver simplicity, fairness and the best value to mobile customers. Supported by a high quality, 100% Australian customer service centre and a state-of-the-art consumer website, amaysim is delivered over the Optus 3G Mobile network. It is distributed via [www.amaysim.com.au](http://www.amaysim.com.au) and an Australia-wide third party retail network and hundreds of independent mobile phone outlets. Keep up to date with amaysim at [www.facebook.com/amaysim](http://www.facebook.com/amaysim)

amaysim SIM packs are available for \$2 online at [www.amaysim.com.au](http://www.amaysim.com.au) or from over 12,000 retail outlets including 7-Eleven, Harvey Norman, Woolworths Petrol, Caltex, Newlink, 7-Eleven, Harvey Norman, Woolworths, Dick Smith, Myer, Coles Express, Franklins, Caltex, Coles, Australia Post and many more.

### **Research**

The independent qualitative and quantitative research was conducted by Macquarie University with the support of amaysim in October 2011, involving a series of seven focus groups with consumers who own a personal mobile phone and followed up by 1600 respondents in an online survey.

The data has been weighted and projected to reflect the population of Australia.

### **Money that could be saved by switching**

- Number of people in Australia aged 18+ = 17.2 million (Source: Australian Bureau of Statistics)
- 90% of the population aged 18+ have personal mobile phones = 15.48 million (Source: Macquarie University Survey)
- 16% of mobile customers have switched in the past 12 months = 2.48 million
- 79% of switchers saved money = 1.96 million
- Switchers save an average of \$26.52 per month
- $\$26.52 \times 1.96 \text{ m} = \$51,874,180$  in savings per month
- $\$51,874,180 \times 12 \text{ months} = \$622,490,160$  in savings per year