

Friday, 17 February 2017

Why Vodafone is the top mobile provider in (only) Sydney

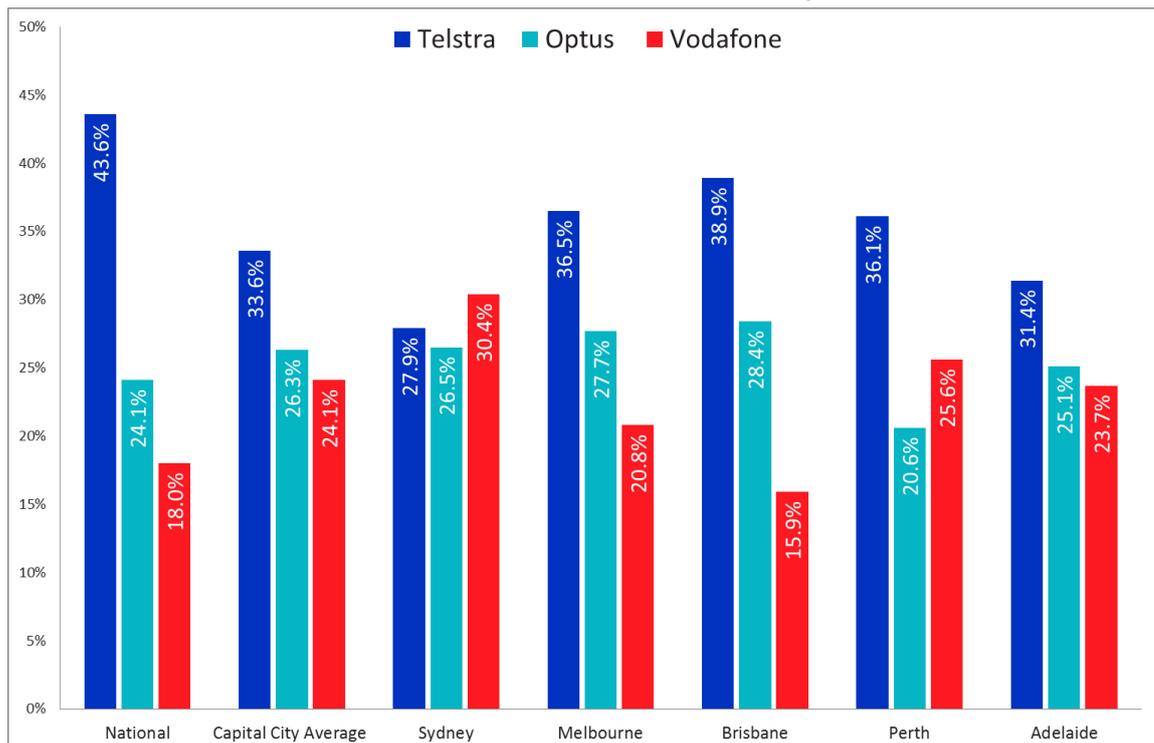
Most capital cities mirror the national story: Telstra is the number one mobile service provider, ahead of Optus in second, and Vodafone in third. But in Sydney (and only in Sydney) Vodafone claims the number one spot, Roy Morgan Research shows.

Nationally, among all Australia's 18,775,000 mobile owners (aged 14+), Telstra is the clear number one mobile service provider, which 43.6 percent use for a mobile phone, ahead of Optus (24.1 percent) and Vodafone (18.0 percent). But almost two-thirds of Australians (and mobile phone owners) live in one of the mainland state capitals—where competition between the three network operators is much more fierce (and diverse).

Across these five cities, Telstra claims only around one in three mobile owners overall (33.6 percent), a full 10 percentage points below its national share. Some of Telstra's metropolitan loss becomes Optus's gain (up to 26.3 percent), but Vodafone is the biggest winner, with a mainland capital city market share of 24.1 percent.

However not all city folk are alike. Telstra maintains its position atop the dais (but with varying leads) in Brisbane, Melbourne, Perth and Adelaide—but is relegated to silver in the biggest market of all: Sydney. Instead, more Sydneysiders prefer Vodafone (30.4 percent), ahead of Telstra (27.9 percent) and Optus (26.5 percent). Sydney is also the most closely fought market, with less than four percentage points separating the three competing providers.

Mobile Provider Market Shares in Mainland Capital Cities



Source: Roy Morgan Single Source, July to December 2016, sample = 23,023 Australian mobile owners aged 14+. Respondents may have more than one phone, with more than one provider.

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Vodafone is least popular in Brisbane (15.9 percent) and Melbourne (20.8 percent), where both Telstra and Optus are at their strongest.

Optus's market share is comparatively consistent across most capitals, within a percentage point of its capital city average. The anomaly is Perth, where only 20.6 percent of mobile owners are with Optus—bumping it down to third.

Michele Levine, CEO – Roy Morgan Research, says:

“Sydney is worth over \$2.6 billion dollars a year to mobile service providers, and the big three network operators between them own 83.3 percent of the market. Competition is at its peak in Sydney: Telstra would only need to steal 50,000 Vodafone customers to claim the lead—and Optus need only win 27,000 of Telstra's to bump the national provider down into third spot.

“Although there are some differences between mobile owners Sydney and other capitals in terms of how they use their phones, whether it's for mainly business or personal, what they want in service providers, and their cultural backgrounds and demographics, Vodafone's market lead in the city is particularly anomalous—but perhaps has a simple explanation.

“Roy Morgan's analysis indicates that traditional retail reach is an important piece of the puzzle. Almost three in five mobile owners in Sydney purchased their current mobile plan from a store, which is the same proportion as in Melbourne, where Vodafone is a distant third.

“Vodafone's share of owners and their dollars in each city is actually remarkably similar when looked at 'per store'. That is, while mobile owners in Sydney and Melbourne equally prefer to buy their plans in-store, Vodafone has just over 50 percent more stores in Sydney—so it is any wonder its share of the market (and revenue) is also just over 50 percent higher?

“In both Sydney and Melbourne, Vodafone has just over 7000 customers per store, worth around \$430,000 a month.

“With Roy Morgan's geodemographic tool [Helix Personas](#), any retailer can map their current store network, profile areas against their target customers, and pinpoint optimal locations for expansion, whether for permanent or pop-up stores.”

To learn more about Roy Morgan's telecommunications data, call (+61) (3) 9224 5309 or email 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

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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
7,500	±1.1	±1.0	±0.7	±0.5
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2

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