

CONSUMERLAB



LIBERATION FROM LOCATION

Country report El Salvador

An Ericsson Consumer Insight Summary Report
May 2015

CONTENTS

FROM DUSK 'TIL DAWN	3
COMPREHENSIVE CONNECTIVITY	4
DEVICE AND SERVICE PICKS	6

METHODOLOGY

The data presented in this report was gathered from a total of 1,549 face-to-face interviews conducted across 5 metropolitan areas in El Salvador between February and April 2014. The metropolitan cities considered were: San Salvador, Santa Ana, San Miguel, Santa Tecla and Usulután. The interviews were conducted with respondents aged 15–69 and belonging to the socioeconomic classifications A to D. Overall, the data represents 3 million people living in El Salvador.



THE VOICE OF THE CONSUMER

Ericsson ConsumerLab has 20 years' experience of studying people's behaviors and values, including the way they act and think about ICT products and services. Ericsson ConsumerLab provides unique insights on market and consumer trends.

Ericsson ConsumerLab gains its knowledge through a global consumer research program based on interviews with 100,000 individuals each year, in more than 40 countries and 15 megacities – statistically representing the views of 1.1 billion people.

Both quantitative and qualitative methods are used, and hundreds of hours are spent with consumers from different cultures. To be close to the market and consumers, Ericsson ConsumerLab has analysts in all regions where Ericsson is present, developing a thorough global understanding of the ICT market and business models.

All reports can be found at:
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FROM DUSK 'TIL DAWN



From the marketplace to the boardroom, from schools to households, the free flow of ideas and information shapes our lives and our everyday decisions. Therefore,

access to relevant information at any given time and in any given place has become integral for consumers across the globe, and El Salvador is no different.

KEY FINDINGS

There is a high need to remain connected and updated

- > Around 45 percent of consumers in El Salvador rated the need to remain updated highly, followed by the need for accessibility at 37 percent

The need to remain connected and have access to pertinent information is a strong motivator in opting for cloud services

- > 39 percent of consumers use cloud services to store and access their files

Switching between devices to access online services is common

- > 36 percent of consumers pause a movie or TV show on one device and resume watching on another device
- > Overall, 34 percent of consumers switch between devices at least once when performing an online activity

Smartphones are gaining prominence in Salvadorans' daily lives

- > Even though smartphone ownership is lower than desktops, a similar proportion (83 percent) of both devices are connected to the internet
- > A larger proportion of internet users on smartphones (87 percent) log on to the internet daily than internet users on PCs (72 percent)

Satisfaction with mobile operators' services varies across locations

- > More users outside of cities are satisfied on different operator service parameters than users in cities

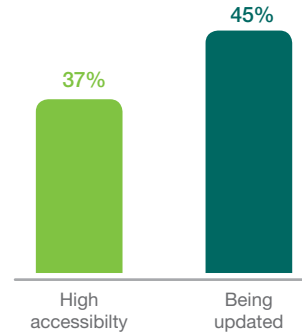


COMPREHENSIVE CONNECTIVITY

Regardless of where they are, people want to have access to information at their convenience. Around 45 percent of consumers in El Salvador say remaining updated is a high priority, followed by the need for accessibility at 37 percent (Figure 1). These figures are similar to those for the Latin American region as a whole, where the need to remain accessible and updated is expressed by 38 percent and 44 percent of consumers, respectively.



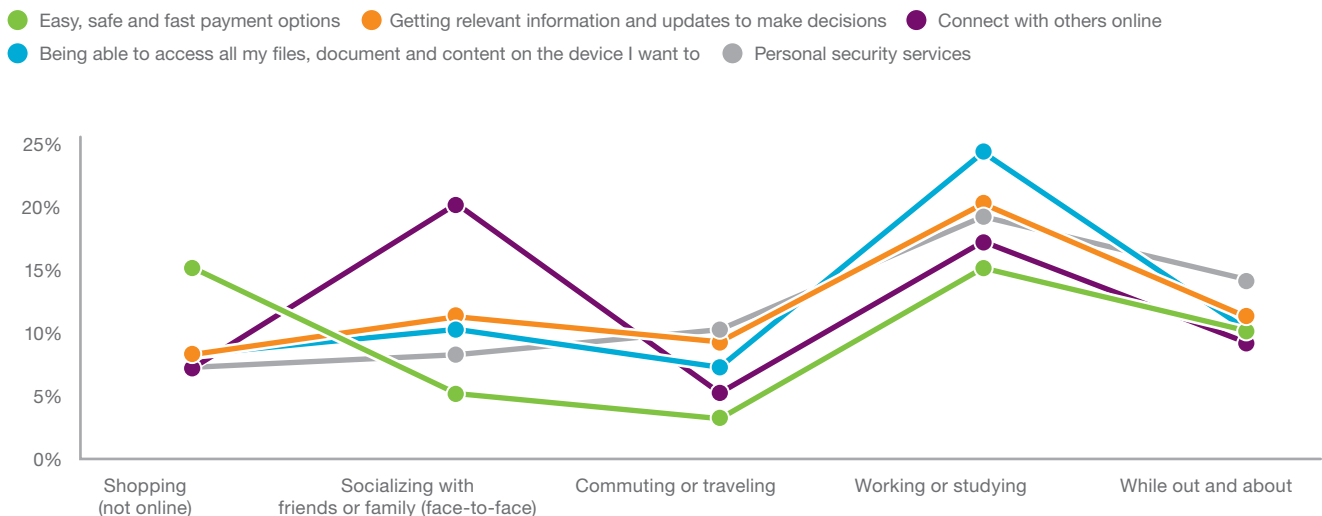
Figure 1: Consumer attitudes in El Salvador



Source: Ericsson ConsumerLab, Liberation from location, El Salvador 2015
Base: Overall population

Irrespective of location, in the course of a day consumers in El Salvador are showing an inclination to use devices such as mobile phones and tablets to access information and various online services (Figure 2). 20 percent of consumers in El Salvador want to connect with others online even when they are socializing with their friends and family face-to-face. There is also a need to access online information, files and documents among Salvadorans. This is especially true when working or studying, with 24 percent of consumers wanting to do the same. When shopping in physical stores, 15 percent of consumers want to have access to easy and safe payment options.

Figure 2: Services consumers want to engage in on their mobile devices in different situations



Source: Ericsson ConsumerLab, Liberation from location, El Salvador 2015
Base: Internet users who use a mobile phone or tablet

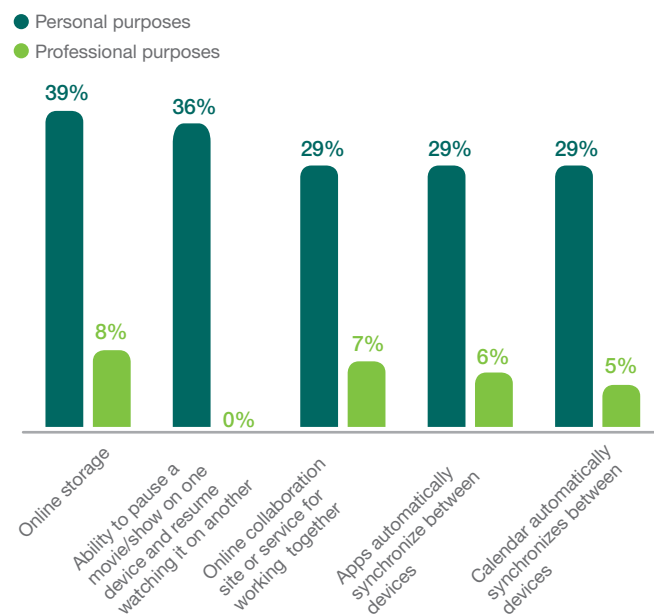
The strong need among Salvadorans to have access to files and documents anytime is also reflected in their demand for cloud services. Our findings show that close to 40 percent of internet users opt for online storage services to access their files for personal use. Similarly, the drive to remain connected is reflected in 36 percent of consumers liking the ability to pause watching a movie or TV show on one device and resume it on another device. About 29 percent of consumers also automatically synchronize content in apps installed on multiple devices for personal use.

Although cloud services are mainly used for personal purposes, people often need to access information in remote locations for professional purposes. Therefore Salvadorans are likely to use these services for work purposes as well.

This Ericsson ConsumerLab study also brings to light the manner in which the internet is used for activities such as messaging and calls. Among consumers who make/receive calls on a regular basis, 24 percent use the internet for making internet (VoIP) calls, compared to 22 percent for Latin America as a whole. Similarly, among those who send/receive messages on a daily basis, around 50 percent use the internet to communicate via instant messaging (IM) compared to 52 percent for Latin America (Figure 4).

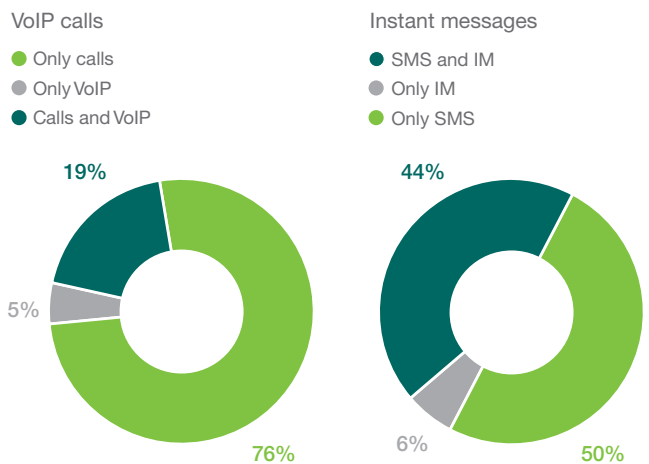


Figure 3: Use of synchronization services



Source: Ericsson ConsumerLab, Liberation from location, El Salvador 2015
Base: Internet users

Figure 4: VoIP and IM usage



Source: Ericsson ConsumerLab, Liberation from location, El Salvador 2015
Base: Users who make/receive calls on a daily basis

Source: Ericsson ConsumerLab, Liberation from location, El Salvador 2015
Base: Users who send/receive messages on a daily basis

DEVICE AND SERVICE PICKS

Consumers in El Salvador use multiple devices to access online services, often switching between them to do so. Almost one in five switch between devices while browsing or when engaging in social networking. Overall, 34 percent of consumers switch between devices at least once when performing an online activity.

While a part of the population strives to lead a more connected life using multiple devices across locations,

clear preferences regarding such devices are also evident. At the household level, desktops have the highest level of ownership at 53 percent.

Overall smartphone ownership remains lower than desktops at 38 percent. However, an equal proportion (83 percent) of desktops and smartphones are connected to the internet. This indicates that the users of devices like smartphones have a greater tendency to connect to the internet.



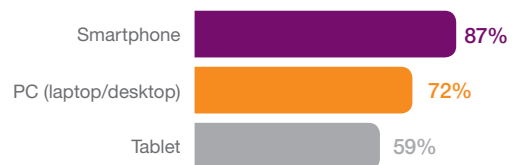
Even though smartphone ownership is low, they are used more frequently for logging on to the internet than other devices. PCs remain the second most widely used device to log onto the internet on a daily basis and access content services (Figure 5). Also, a large proportion of consumers use their smartphones across different types of connections, such as Wi-Fi and mobile broadband (Figure 6). Unlike smartphones, people tend to connect and use PCs and tablets largely on Wi-Fi.

There is a growing need among consumers to connect online through their devices, so the demand for quality mobile operator services is high. Generally, most mobile phone users are satisfied with mobile operators' different service parameters.

Satisfaction among consumers is especially high on mobile operators' parameters related to network data speed (65 percent) and voice quality (59 percent). Most consumers of prepaid services are also satisfied with the ease of credit charging and topping up (61 percent) and customer service for billing (56 percent).

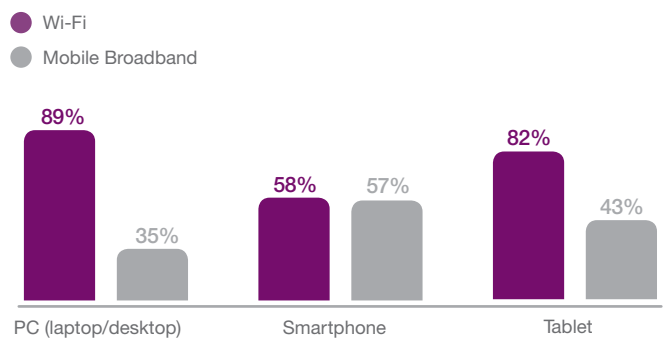
The service parameters that fewer consumers are satisfied with are range of price plans (51 percent), customer account management (49 percent), customer service for technical issues (48 percent) and customer service for postpaid billing (47 percent).

Figure 5: Daily users of the internet



Source: Ericsson ConsumerLab, Liberation from location, El Salvador 2015
Base: Internet users on respective devices

Figure 6: Devices and connection types

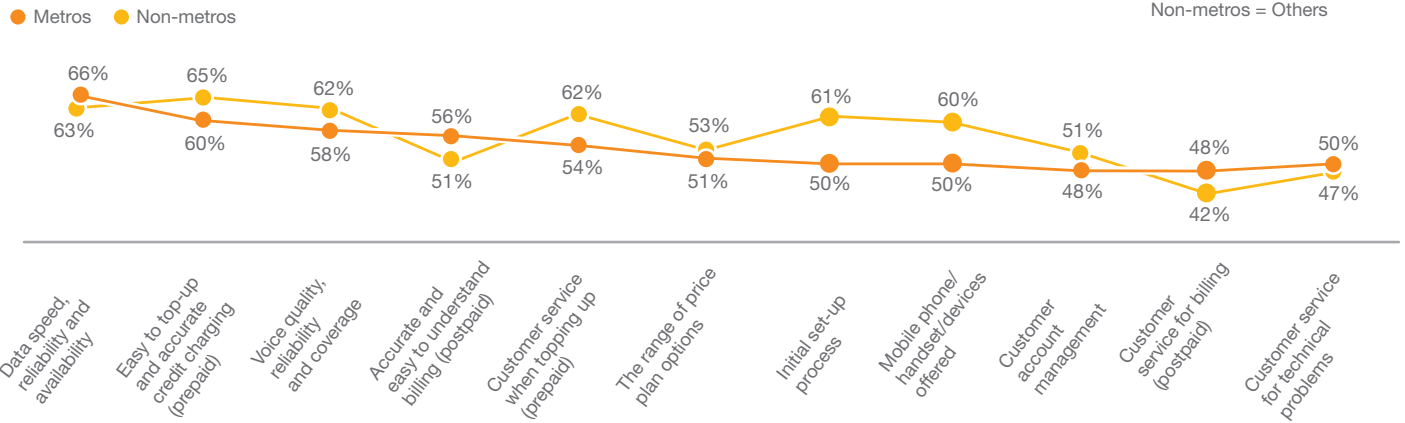


Source: Ericsson ConsumerLab, Liberation from location, El Salvador 2015
Base: Internet users on respective devices

Satisfaction levels with mobile operator services also vary according to location, such as between metropolitan areas (metros) and non-metropolitan areas (non-metros). As shown in Figure 7, consumers living in non-metropolitan areas tend to be more satisfied with parameters related to operator services than consumers living in metropolitan areas.

Most consumers in non-metros are satisfied with onboarding processes – namely the initial set-up process (61 percent) and devices offered (60 percent). On the other hand, more consumers in metros are satisfied with network data speed (66 percent).

Figure 7: Satisfaction with mobile operators' services – metros vs non-metros



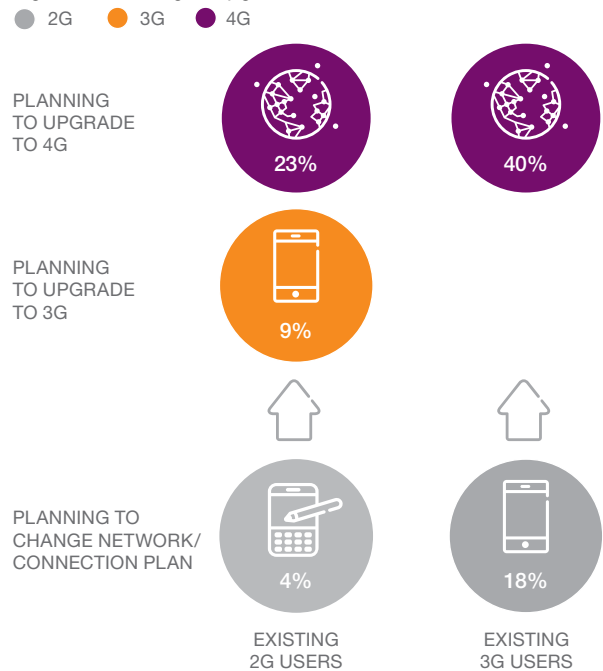
Source: Ericsson ConsumerLab, Liberation from location, El Salvador 2015
Base: Mobile phone users

A large proportion of consumers in El Salvador are satisfied with mobile operators' network data speed and voice quality, irrespective of the geographical area.

Consumers also seek to improve their network experience by continuously switching between Wi-Fi and mobile broadband or the other way round. The most common reason for switching connections, given by 41 percent of consumers, is better speed or reliability of coverage. The other determining factors include the type of internet connection that can be used with the device (35 percent) and ability to change location (35 percent). If Salvadorans were provided with better quality connections (in terms of speed, reliability and coverage), more of them would remain connected online unaffected by location imposed barriers.

Once consumers are exposed to good quality network connections, they are more likely to want to upgrade or improve on them. Establishing this observation, Figure 8 shows that as consumers are exposed to better quality connections, the usage of 4G is bound to increase.

Figure 8: Planning to upgrade



Source: Ericsson ConsumerLab, Liberation from location, El Salvador 2015
Base: Users of respective generations of mobile internet

MOBILE OPERATOR SATISFACTION
with data speed, reliability and availability is high in El Salvador

Like their global counterparts, Salvadorans have developed a taste for good connectivity and demonstrate a willingness to upgrade their connections. Though laptops and desktops remain the most popular devices in El Salvador, smartphones are giving consumers much-needed freedom to access online services at their convenience.

Ericsson is the driving force behind the Networked Society – a world leader in communications technology and services. Our long-term relationships with every major telecom operator in the world allow people, business and society to fulfill their potential and create a more sustainable future.

Our services, software and infrastructure – especially in mobility, broadband and the cloud – are enabling the telecom industry and other sectors to do better business, increase efficiency, improve the user experience and capture new opportunities.

With approximately 115,000 professionals and customers in 180 countries, we combine global scale with technology and services leadership. We support networks that connect more than 2.5 billion subscribers. Forty percent of the world's mobile traffic is carried over Ericsson networks. And our investments in research and development ensure that our solutions – and our customers – stay in front.

Founded in 1876, Ericsson has its headquarters in Stockholm, Sweden. Net sales in 2014 were SEK 228.0 billion (USD 33.1 billion). Ericsson is listed on NASDAQ OMX stock exchange in Stockholm and the NASDAQ in New York.

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