



BEYOND CONNECTIONS: UNVEILING THE SWISS TELECOM LANDSCAPE THROUGH CONSUMERS' EYES

A Point of View from Ipsos Switzerland

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Introduction :

Switzerland's rapidly advancing telecommunications market is **capitalizing on 5G networks, AI, and big data** to improve **efficiencies and customer experience**. Despite obstacles such **as market saturation, stringent regulations, and cyber threats, growth opportunities exist** in the evolving **value-added services** and **businesses' reliance** on digital solutions.

The **telecom business** was once focused on a few core services but has grown **more complex** due to the emergence of various players offering diverse solutions, including **video streaming, gaming, and digital payments**. Hence, understanding how Swiss telecom companies are perceived by consumers is crucial.

Authentic differentiation aids competitiveness and growth, while incorrect brand positioning risks market share and customer trust.

Thus, **strategic brand position research** is key for identifying unique insights and opportunities.

1. Analysis of Brand Perception and Consumer Behaviour in the Swiss Telecom Market

IPSOS BRAND MENTAL NETWORK

The Brand Mental Network (BMN) is a powerful approach of Ipsos, used in gaining a deeper understanding of how brands positioned in consumer's mind. This approach allows us to explore brands' positioning through consumer's lenses, disclosing their impressions, emotions, and connections with various brands. The intensity and variety of mental images linked to brands are assessed, as these factors drive brand selection.

Through the application of the BMN approach in Swiss TELCO market, our aim is to pinpoint the key areas of strength and areas ripe for improvement, thus assisting in crafting targeted strategies for each telecommunication provider within Switzerland.

Our Brand Mental Network (BMN) analysis has shown that consumers recognize **Swisscom** for its variety of **unique characteristics** and appreciate the strong link between these characteristics, with an average of 2.1 linked associations per respondent, which is the highest # of connections across the TELCO Brands in Switzerland. People share perceptions of **Swisscom** – suggesting the brand's positioning **resonates powerfully with consumers** – as reflected in the 5.2% strength average across all themes. On the other hand, **Sunrise**, despite having a **wide range of associations**, lacks the same level of interconnectedness and shared recognition as Swisscom. **Salt** and **Yallo**, even with **fewer associations**, have made impression on consumers, particularly **Yallo** with a solid 4.4% strength average across all themes, standing after Swisscom, reflecting the effectiveness of their consistent messaging for cost-effectiveness/ lower prices and promotions.

All Themes Included	Swisscom	Sunrise	Salt	Yallo
Richness (total # of associations)	41	43	40	36
Connected (avg. # of associations/ respondent)	2.1	1.7	1.6	1.6
Strength (avg. % across themes)	5.2	3.9	4.0	4.4

Table 1: Summary of Consumer Associations with Swiss Telco Brands

Swiss consumers have a unique perspective on the telecom market that differs significantly from their global counterparts. The emphasis is heavily placed on **brand image** and **pricing**, reflecting a strong **value-for-money mentality**. While functional benefits drive the conversation around global telco brands, **Swiss consumers allocate less attention to practicalities and focus more on corporate brand image** (mainly driven by Swisscom's "Swiss", "Traditional" and "Monopolistic" image) **and price promotions**. This behavior indicates the signals for perception of telecom services as **commodities**, with **price playing a crucial role in shaping purchasing decisions and brand the overall positionings**. **Emotional bonds** with consumers are not prominent for Swiss Telco brands in general. Swiss Telco Brands, having recorded higher associations in brand image and price/promotions, are well-positioned to cater to this consumer mindset.

	GLOBAL BMN DATABASE (ALL SECTORS)	GLOBAL BMN DATABASE (TELCO ONLY)	SWISS TELCO SECTOR AVG.
ASSOCIATIONS (NET)			
Brand Communications	7	7	5
Emotional	9	5	7
Functional	43	47	43
Brand Image	33	21	41
Occasion / Usage	12	0	3
Price / Promotion	11	20	36
SENTIMENTS (NET)			
NEGATIVE SENTIMENTS	11	18	22
POSITIVE SENTIMENTS	52	45	65
NEUTRAL SENTIMENTS	38	51	25

Table 2: BMN Associations Classifications – Swiss Telco Brands vs Global Ipsos Database

Additionally, it is observed that **both negative and positive sentiments** are **higher** for Swiss Telco Brands compared to the global TELCO database, with less neutral sentiments. **There is a higher degree of polarization for Swiss Telco Brands, suggesting that TELCO brands elicit stronger emotions from consumers, both positive and negative.** This presents an opportunity for Swiss Telco Brands to build stronger connections (both emotional and functional) with their customers to strengthen their competitive positions. By prioritizing the **improvement of customer satisfaction** and **fostering brand affection**, they can utilize robust consumer relationships. This approach can help them further differentiate themselves in the market and make the most of the opportunities presented by this unique sentiment landscape.

Swiss Telco Brands can use the opportunity to differentiate themselves by enhancing their emotional connections with customers, bolstering their market reputations, and introducing unique selling propositions that emphasize more than just price. Creating a stronger emotional bond with consumers could involve personalized communication, understanding and addressing individual needs, and launching emotionally resonant campaigns that foster trust, convenience, and connectivity.

The importance of effective brand communication in this process can't be overstated. It can narrate the brand's story, relays its value proposition, and expresses a personality that ideally resonates with consumers, fostering an emotional connection. Regular and transparent communication can also earn customer trust, a vital element of brand loyalty.

Furthermore, Swiss Telco Brands need to go **beyond price competition**. By highlighting **unique features or benefits**, such as superior customer service, innovative solutions, or value-added services in their communication strategy, they could build a stronger brand image and preference to improve their market positioning. All in all, while Swiss Telco Brands are leading in some respects, there are still areas such as emotional connection and brand communication that need to be addressed to fully leverage the opportunities present in the Swiss market.

2. Insights into Brand Identities and Consumer Perceptions of Leading Swiss TELCO Operators

THEMES SHARED BY ALL BRANDS

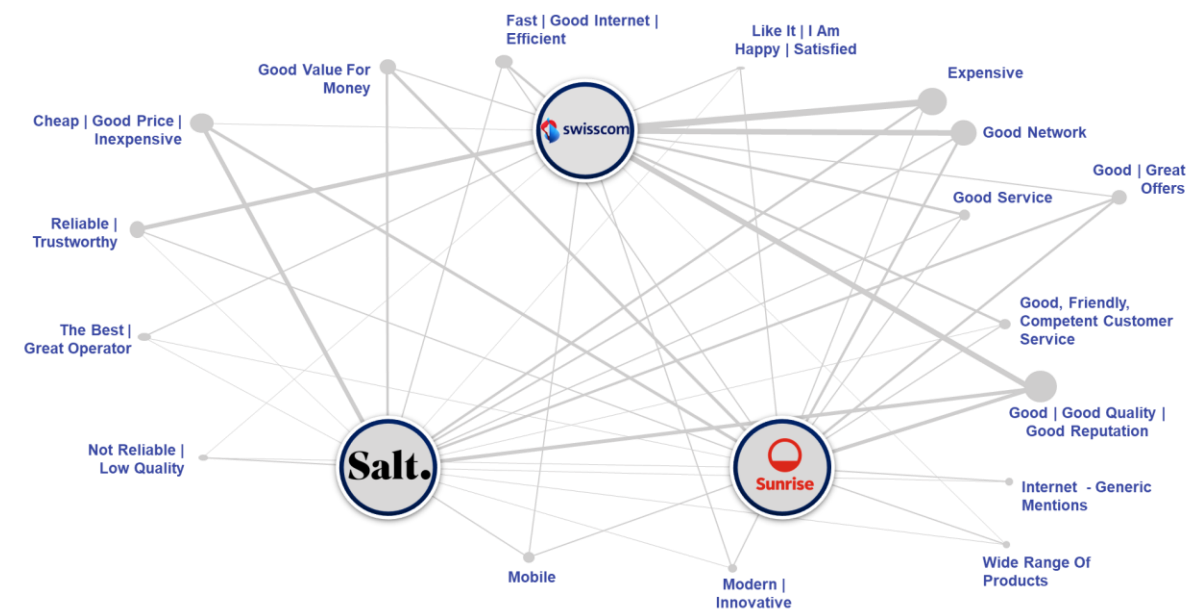
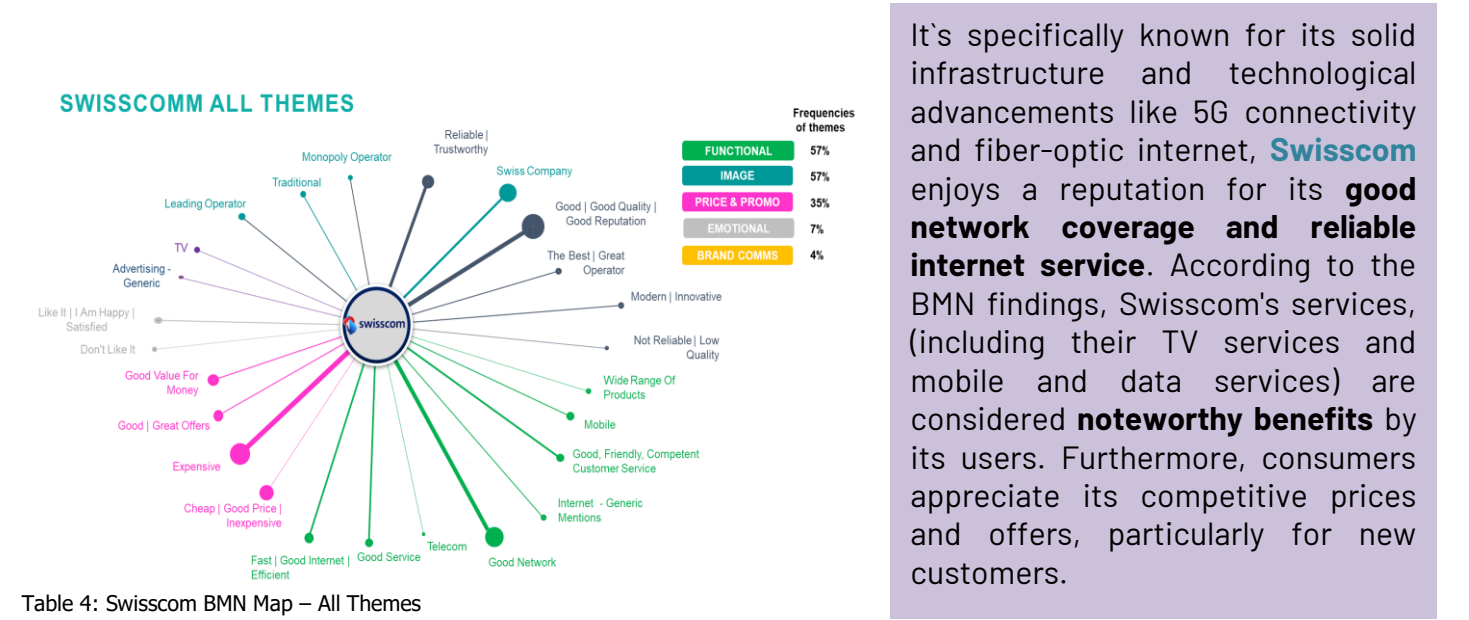


Table 3: BMN Map – Swiss Telco Brands. Themes Shared by All Brands

Zooming into the current brand perceptions and positions of key Swiss TELCO operators such as **Swisscom**, **Sunrise** and **Salt**, they occupy a unique position as perceived by their consumers. Each of these brands display **distinctive points of strength**, but also room for improvement. Understanding these associations can help each brand to further build on their strengths and address any gaps to enhance customer satisfaction and loyalty.



Swisscom has emerged as a notable player due to its **robust infrastructure and technological advancements** such as 5G connectivity and fiber optic internet.



It's specifically known for its solid infrastructure and technological advancements like 5G connectivity and fiber-optic internet, **Swisscom** enjoys a reputation for its **good network coverage and reliable internet service**. According to the BMN findings, Swisscom's services, (including their TV services and mobile and data services) are considered **noteworthy benefits** by its users. Furthermore, consumers appreciate its competitive prices and offers, particularly for new customers.

Swisscom's current positioning as a provider of **reliable and fast network connectivity** and **excellent customer service** aligns well with customer expectations in these areas, cements its image as a reliable and customer-centric operator. However, **there is a gap in pricing expectations, with Swisscom's high-cost reputation** serving as a barrier for many potential customers. Therefore, while **Swisscom** meets expectations in service quality, it falls short in cost-effectiveness, a key aspect of value perception. Future growth opportunities could be tapped into by addressing this gap: developing alternative value packages for different consumer expectations or enhancing the perceived value through exclusive benefits / services could attract and retain more cost-sensitive customers.

Sunrise, on the other hand, is commended for its **affordable tariffs, family discounts, and distinct TV and internet packages**. Consumers also emphasize their satisfaction with **Sunrise's** friendly and competent customer service. Fast internet and periodic promotions and deals are other positive associations for **Sunrise**.



Despite its solid positioning for **affordability**, **Sunrise** faces **significant challenges in the perceived quality of its network and customer service**, with poor ratings in these areas acting as barriers to considering the brand. **This indicates a discrepancy between customer expectations and their experience with Sunrise.** Thus, its current affordable positioning is weakened by these service deficiencies.

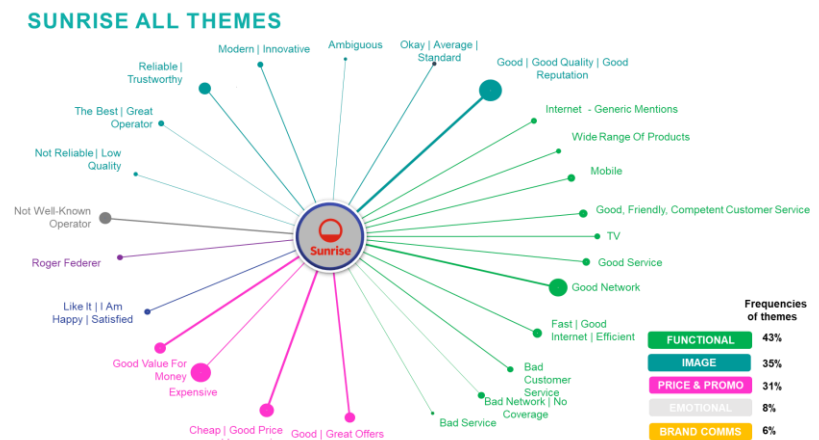
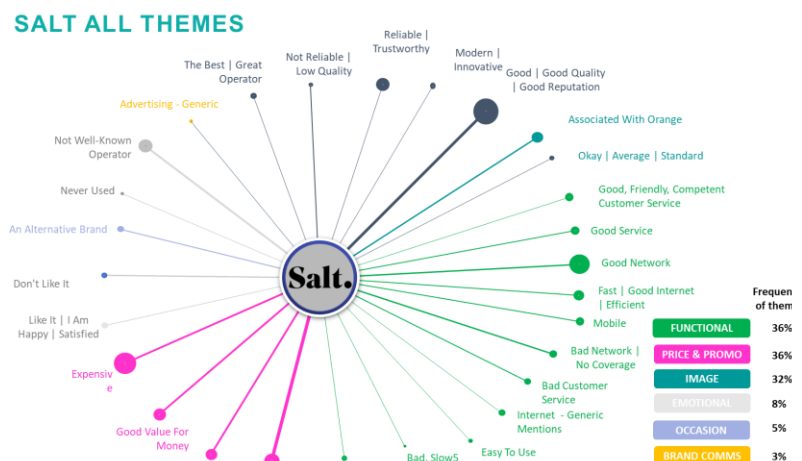


Table 5: Sunrise BMN Map – All Themes

Opportunities for growth lie in addressing these service shortcomings: **investments in improving network quality and customer service** could potentially turn around **Sunrise's** reputation, align it better with customer expectations, and drive customer acquisition and retention.

The 3rd key player, **Salt** is vastly **recognized for its quality-price ratio**, presenting a cost-effective solution for consumers. The quality and reliability of its internet service, good reception combined with attractive pricing, and lifetime discounts are distinctive positive associations that help separate Salt from the competition among some of the Swiss consumers. Moreover, the option for contract renewal accompanied by a new phone has also garnered consumer appreciation.

Salt's positioning as a cost-effective operator aligns well with some of the customers' expectations for affordability. However, its reputation for **unreliable service and poor customer support serves as a significant barrier to potential customers.** This misalignment between expectations for reliable and customer-centric services and the actual experience with **Salt** presents a critical challenge. Growth opportunities for **Salt**, therefore, lie in **improving its service reliability and customer support.** By focusing on these aspects, **Salt** could significantly enhance its brand perception, meet customer expectations better, and uncover potential avenues for growth.



UNIQUE BRAND THEMES

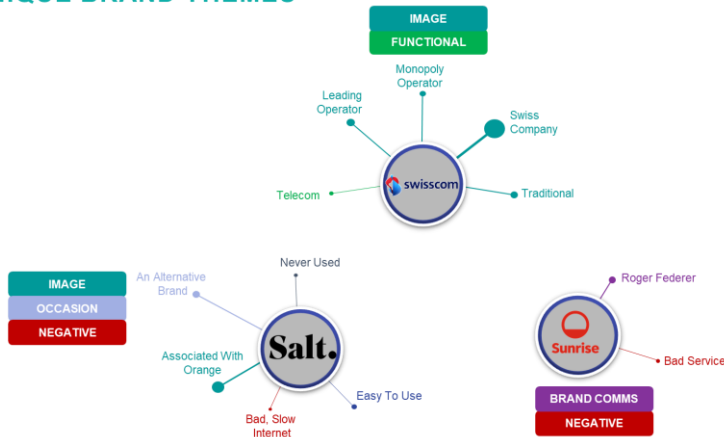


Table 7: BMN Map – Unique Brand Themes

Specifically zooming into the **Unique associations of Swiss Telco Brands**, it is seen that **Swisscom** is well differentiated as a leading operator - lauded for its robust infrastructure and technological advancements specifically. This traditional Swiss company is often seen as a **monopoly operator** in the telecom sector.

Sunrise, on the other hand, is uniquely **associated with Roger Federer** as he is the brand ambassador since 2014. Consumers appreciate **Sunrise's affordable tariffs, family discounts, and distinct TV and internet packages, which differentiates it from competitors.**

Lastly, **Salt** is uniquely **associated with Orange**, not a favorable reputation and brings the negative associations around slow internet and poor customer support together. Nevertheless, it is appreciated by some of the Swiss customers for its cost-effective solutions as an alternative brand.



YALLO

A relatively new entrant in the Swiss TELCO sector, has successfully carved out a niche for itself by focusing on younger and first-time TELCO consumers. Known for its cost-effectiveness and flexibility, Yallo has been able to effectively communicate its strengths in affordable pricing and unique offers, including prepaid services and free Wi-Fi abroad. These features well align with the expectations of its target audience, garnering appreciation and yielding higher positive sentiments compared to the overall Swiss TELCO sector average. Despite having a weaker brand image and being known for fewer emotional and functional benefits to its consumers - other than competitive pricing and promotional offers – it has managed to generate fewer negative sentiments (and more positive) vs Swiss TELCO sector average. Despite its specific market positioning and strategic choices, has successfully resonated with its consumers.

	YALLO	SWISS TELCO SECTOR AVG.
ASSOCIATIONS (NET)		
Brand Communications	8	5
Emotional	2	7
Functional	27	43
Brand Image	28	41
Occasion / Usage	4	3
Price / Promotion	48	36
SENTIMENTS (NET)		
NEGATIVE SENTIMENTS	11	18
POSITIVE SENTIMENTS	52	45
NEUTRAL SENTIMENTS	38	51

Table 8: Yallo Associations in Comparison with Swiss TELCO Sector Avg.

In conclusion, Switzerland's telecom market is evolving, with a focus on 5G, AI, and big data. BMN reveals the importance of **understanding people experiences of brands**, as well as **their expectations of each brand** - Swisscom enjoy a strong, unique image while Sunrise, Salt, and Yallo each have distinctive strengths and areas for improvement.

By understanding these expectations, **Swiss Telco Brands can ensure brand success** by building stronger emotional connections with customers, improving their communication strategies, and fostering an emotional connection to earn customer trust, and differentiate themselves in the market by acting with more empathy.



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