

A Test of Hong Kong Telecommunications Network Speed **Credit Suisse: SmarTone is the best, China Mobile & CSL Tie**

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With keen competition in Hong Kong's telecommunications market, Credit Suisse recently issued a 32-page research paper, giving local operators a "body check". Amongst all these operators, SmarTone (0315) delivered the best overall network performance with a total of 27 points out of 30. At the other end of the spectrum is Hong Kong Telecom's (6823) PCCW Mobile, scoring only 18 points. According to Credit Suisse analysts, SmarTone, Hutchison Telecommunications (0215) and CSL still enjoy network advantages, but the gap is gradually narrowing with Hong Kong Telecom and China Mobile Hong Kong catching up.

Credit Suisse carried out fieldwork in 30 locations across Hong Kong, including several busier locations such as Times Square, Festival Walk and Taikoo Shing. They used the Samsung Galaxy S3 LTE to test the 3G and 4G network quality of various operators, which included network coverage and Internet speed. The test covered common usage, such as the sending and receiving of emails and using WhatsApp. It also took into account general usage, like watching YouTube videos and uploading images onto Facebook (see figure 3).

Worst 3G Network: China Mobile HK

The Credit Suisse research hailed Hutchison Telecom as the "King of 3G", scoring the highest score of 10 points in the areas of network coverage and speed. Since China Mobile HK hires other operators' 3G networks, their performance ranked the lowest among the five operators with only 5 points (see figure 1).

In terms of overall user experience, SmarTone proved to be ahead of its rivals. For instance, a YouTube video would start playing in 3.05 seconds, while uploading an image onto Facebook only took 5.36 seconds. These two forms of usage were on average 34 seconds and 57 seconds faster than the other networks tested.

PCCW: Rating Not Reflective of Recent Network Upgrade

Based on the method used to rate operators in this research, PCCW Mobile was rated with the lowest overall performance, mainly due to its unsatisfactory 4G coverage and network speed. The research paper cited an example of opening an ESPNFC webpage, which was slower than usual. After gaining more insight, Hong Kong Telecom's spokesperson pointed out that the test was carried out before the operator upgraded its 4G and Wi-Fi network. Therefore, the rating does not fully reflect the performance of their network.

China Mobile HK, which has always been regarded as a weaker party in the market, was rated the same as CSL with 21 points. Credit Suisse explains that this is mainly because of China Mobile HK's 4G network coverage being better than expected, constantly receiving 4G signals and thus enhancing overall user experience.

Credit Suisse also pointed out that though Hong Kong Telecom and China Mobile HK's network quality is lagging behind amongst local operators, the gap is narrowing.

SmarTone and Hutchison Enjoys Network Advantages

Yet, Credit Suisse also noted that SmarTone, Hutchison Telecom and CSL have an edge over competitors due to the economies of scale they possess. Apart from comparing each operator's network quality with another, customer service was also assessed.

Credit Suisse said that CSL's customer service hotline, store staff and frontline staff all scored better than the other tested operators. China Mobile HK fell short of its competitors in both store design and frontline staff performance.

Figure 1: Credit Suisse Telecommunications Network Ratings

Telecommunications Operator	3G Coverage Score	3G Speed Score	4G Coverage Score	4G Speed Score	Common Usage Score	Continuous Performance	Total Score
SmarTone	4	5	5	4	4	5	27
Hutchison Telecom	5	5	3	5	3	4	25
CSL*	5	3	3	4	2	4	21
China Mobile HK	3	2	4	3	4	5	21
PCCW	3	4	3	3	2	3	18

Note: General usage includes browsing websites and uploading images, with 5 points being the highest score for the item. Final scores are rounded up in the test.

*Credit Suisse tested CSL's one2free network

Figure2: Hong Kong Telecommunications Operators Market Share

Based on the number of users

CSL – 29.7%

Hutchison Telecom (0215) – 25.8%

China Mobile HK – 18.0%

SmarTone (0315) – 13.6%

PCCW (6823) – 12.9%

Note: Based on statistics from last year-end. Credit Suisse estimated the number of users and profits made from services.

Figure 3: Credit Suisse Telecommunications Network Research Method

Item	Details
Mobile Phone	Samsung GALAXY S3 LTE
Speed-testing Software	Speedtest.net app
Tested Locations	30 locations across Hong Kong, including Times Square, Festival Walk, Shatin Park and Yuen Long Plaza
Common Usage	Sending and receiving emails, WhatsApp, refreshing

	Facebook page
General Usage	Browsing local and overseas websites, uploading images onto Facebook, and watching Youtube videos



Credit Suisse's research paper gives all local telecommunications operators a "body check", with SmarTone's performance being the best at 27 points and PCCW being the worst with 18 points.