

Wholesale local access market review: Residential broadband research

Produced by: Populus

Fieldwork: 6-11 September 2017

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Methodology

Sample

- 2955 adults aged 16+ in the UK. Those who knew their fixed home broadband speed were put into the following sub groups of at least 500:
 - Standard broadband (up to 30 Mbit/s)
 - Entry-level superfast broadband (38-40 Mbit/s)
 - Faster superfast broadband (50-80 Mbit/s)
 - Faster superfast broadband / Ultrafast (100 Mbit/s+)
- Quotas set on region, gender, age, and social grade

Data collection

- Online methodology
- Conducted by Populus
- Fieldwork from 6-11 September 2017

Data reporting

- Weighted to be nationally representative of the UK (including boosts). For a detailed breakdown of quotas set and weights applied, see slides 4 and 5.
- Significance testing applied at the 95% confidence level

Methodology: Quotas

- Quotas have been set on gender, age, social grade and government office region. A detailed breakdown of the quotas that have been set on all four demographic groups has been outlined on the right hand side. A 10% leeway has been applied to all quotas.
- Quotas on age are interlocking by gender, split 50/50 between male and female to ensure a broadly even spread has been achieved across both genders.
- The data has been weighted to the known profile of the United Kingdom using age, gender, government office region, social grade, tenure, taken a foreign holiday in the last 3 years, number of cars in the household and working status.
- The breakdown for all four broadband speed groups were taken from the nationally representative tables and were applied as weights to the full sample (including boosts). See slide 5 for a detailed breakdown of the weights applied to each demographic group.

Gender	
Male	49%
Female	51%
Age	
18-24	12%
25-34	17%
35-44	16%
45-54	18%
55-64	14%
65+	23%
Social grade	
AB	27%
C1	27%
C2	22%
DE	24%

Region	
Scotland	9%
North East	4%
North West	11%
Yorkshire & Humberside	9%
West Midlands	7%
Wales	5%
Eastern	10%
London	13%
South East	14%
South West	9%
East Midlands	7%
Northern Ireland	2%

Methodology: Weights

Gender	
Male	48.9%
Female	51.1%

Age	
18-24	14.5%
25-34	16.6%
35-44	16.4%
45-54	17.2%
55-64	14.1%
65+	21.2%

Working status	
Full time	42.5%
Part time	12.0%
Other	45.5%

Social grade	
AB	26.4%
C1	27.5%
C2	21.9%
DE	24.3%

Number of cars	
1	41.2%
2	28.2%
3+	9.2%
None	20.9%

Tenure	
Own outright	32.3%
Own with mortgage	31.9%
Council	14.6%
Other	21.2%

Knowledge of advertised broadband speed		Perceived broadband speed (% of those who claim to know advertised speed)	
Proportion of overall population who claim to know advertised broadband speed	65%	Up to 30 Mbit/s	25%
		38-40 Mbit/s	28%
		50-80 Mbit/s	25%
		100 Mbit/s+	22%
Don't know (% of overall population)	34%		
Remaining (no broadband or not bill payer) (% of overall population)	11%		

Foreign holiday	
Yes	60.8%
No	39.2%

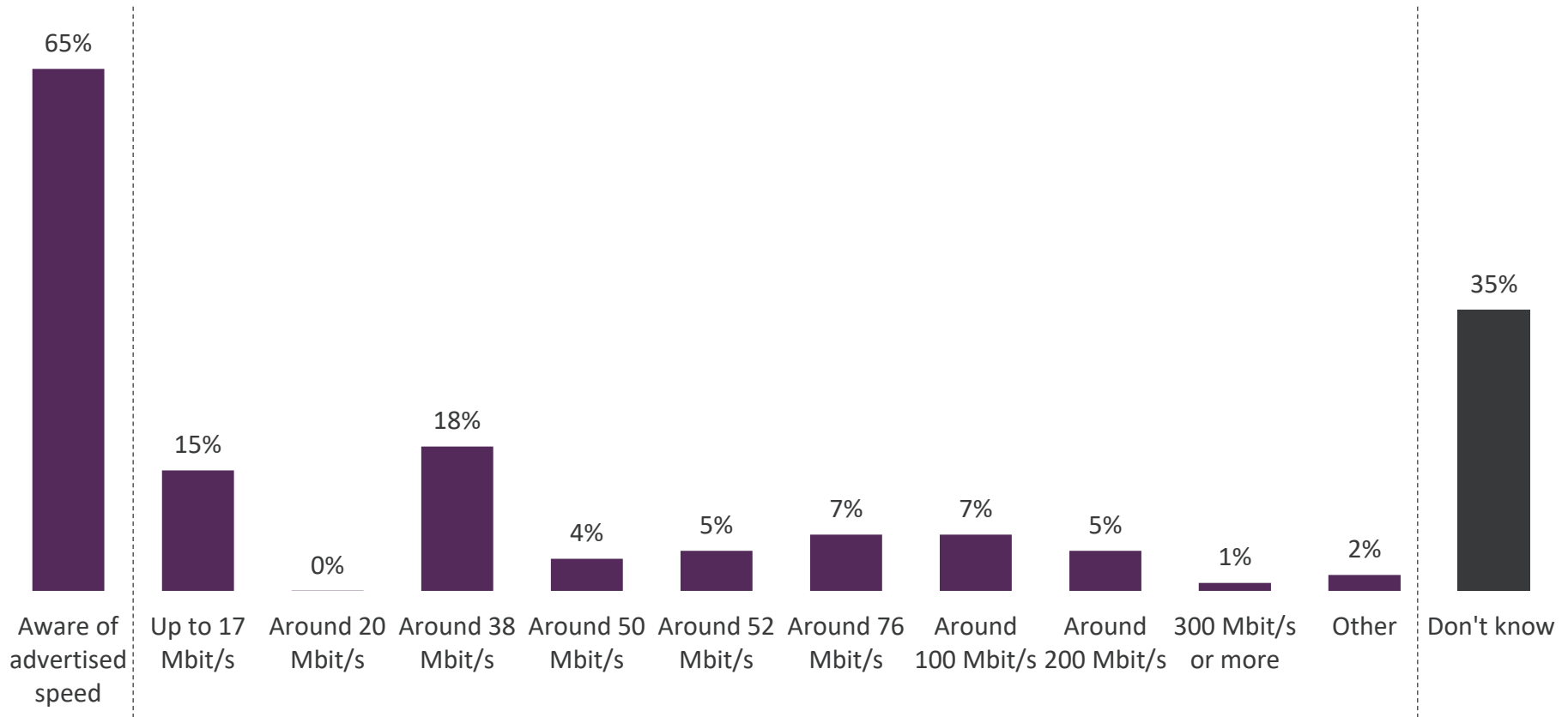
Region	
Scotland	8.6%
North East	4.4%
North West	11.5%
Yorkshire & Humberside	8.8%
West Midlands	8.9%
Wales	5.0%
Eastern	9.7%
London	12.8%
South East	14.0%
South West	8.9%
East Midlands	7.5%
Northern Ireland	3.0%

Methodological comments

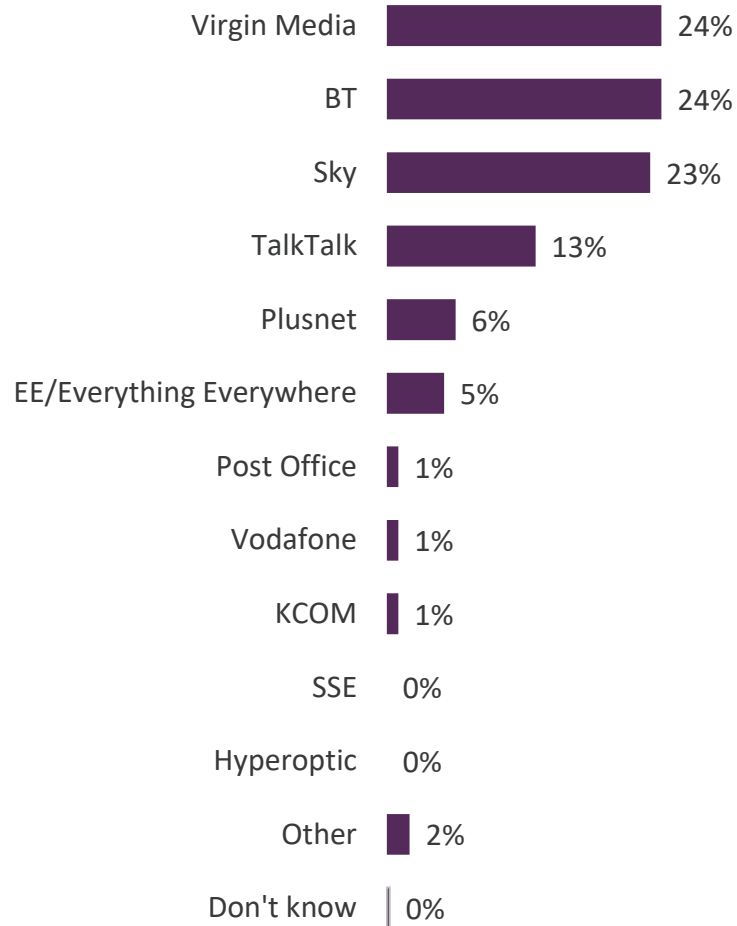
- Online research panels may under-represent consumers who are less engaged than typical fixed internet users. Sample quotas were set and weights have been applied to correct for this, ensuring that the sample is demographically representative of the UK adult population. However, a degree of attitudinal bias may still be present, meaning that less engaged internet users may be partially under-represented.
- We found that a greater proportion of our online research respondents were able to tell us what their broadband speed was, compared to previous face to face research. This is likely to be partly explained by the self-completion methodology, which allows the respondent to check before providing an answer to this question, but it may also be partly explained by a higher level of engagement with the internet amongst an online sample than we might find amongst the general population.
- The categorisation of customers using different speed connections is based upon statements by survey respondents. We have tested the accuracy of this categorisation by asking respondents to test the actual speed of their broadband connection, and comparing with their claimed speed. We believe that the categorisation is broadly accurate, but is unlikely to be precisely accurate
- Some of the questions asked research participants to state how they believed they would react in response to hypothetical scenarios. Whilst our questionnaire design attempts to mitigate this, by capturing the degree of certainty associated with stated intentions, the responses obtained are of course subject to uncertainty.
- All survey results that are based on a sample are subject to a degree of sampling error.

Information about current broadband service

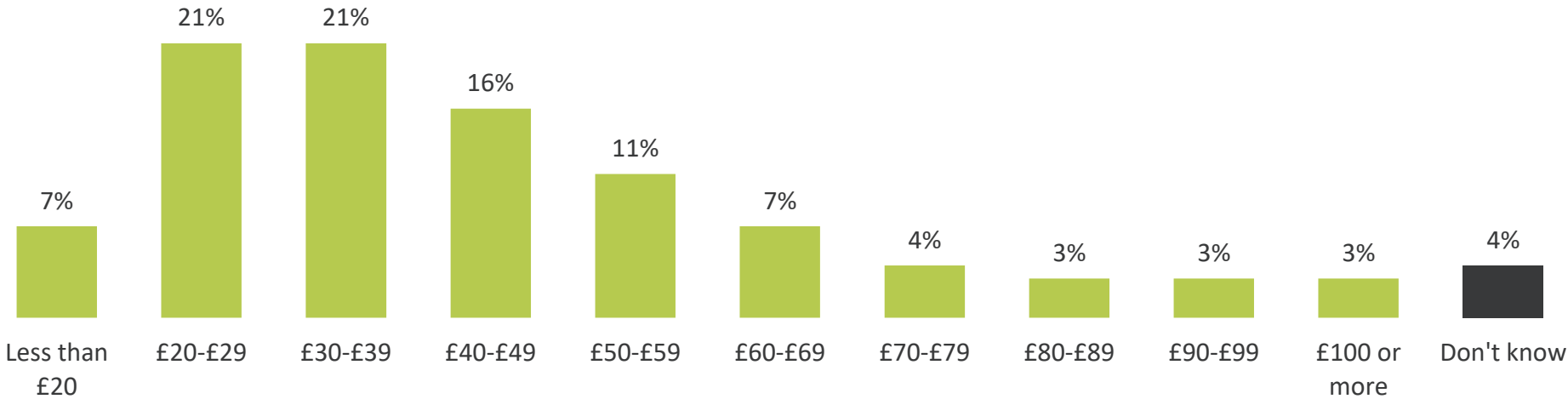
Claimed advertised fixed home broadband speed



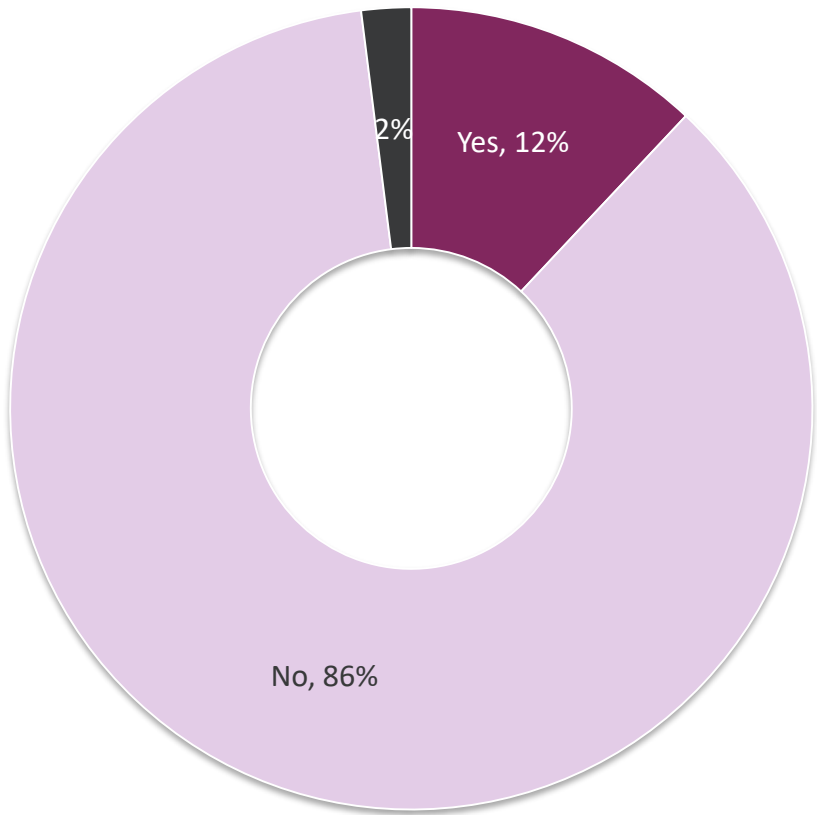
Home broadband provider



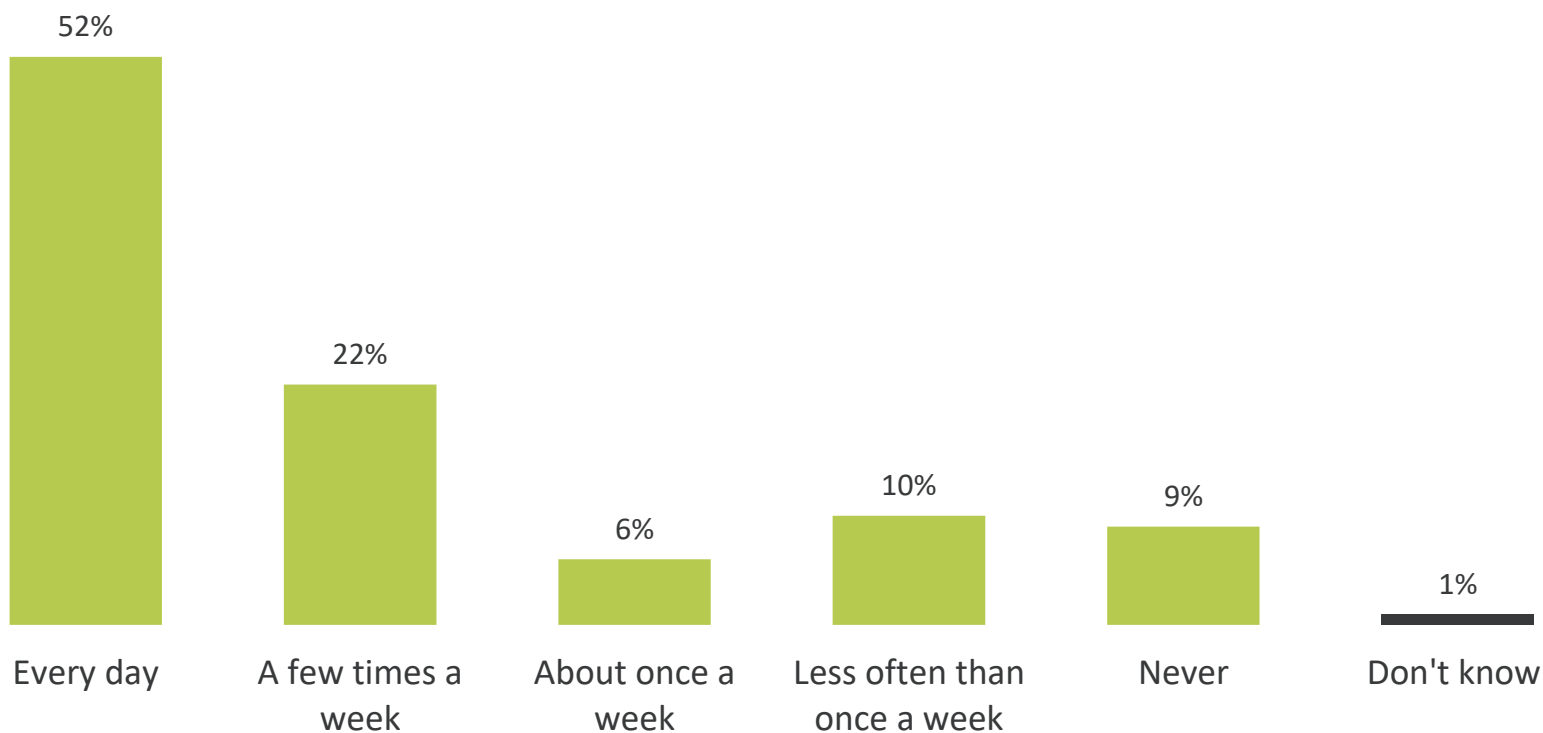
Amount paid per month for broadband package



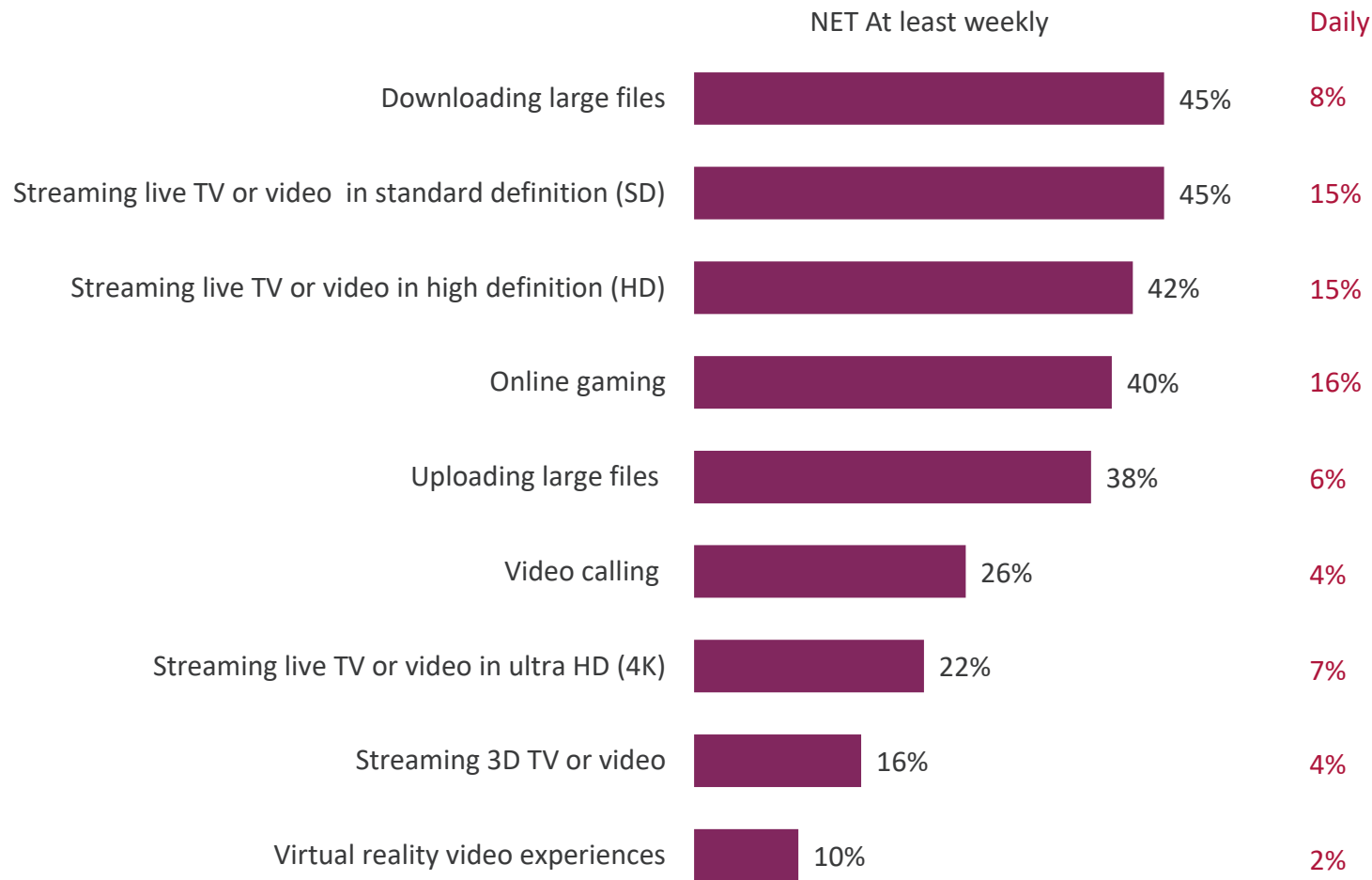
Percentage of respondents who pay line rental to a different provider to their home broadband provider



Frequency of home broadband usage for several tasks at the same time

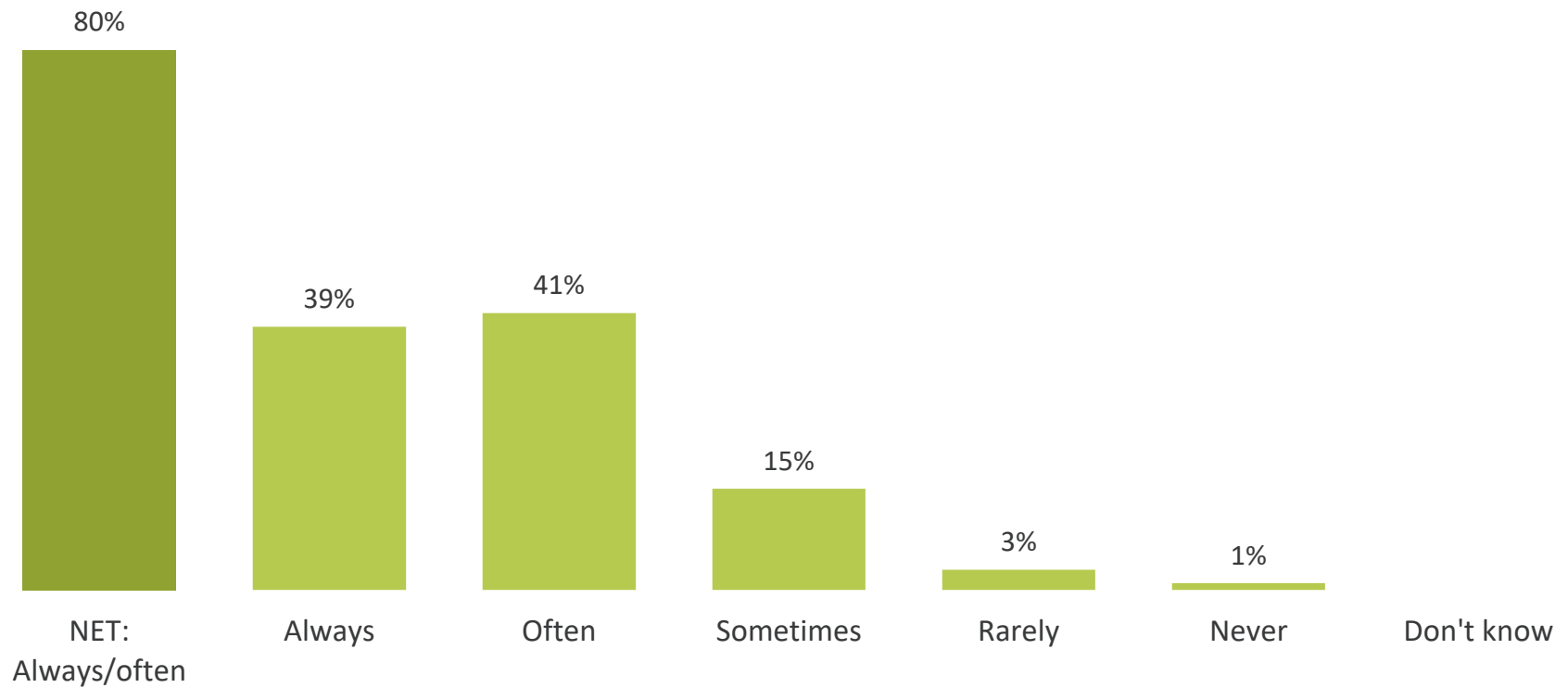


Frequency of carrying out different activities online via home broadband connection



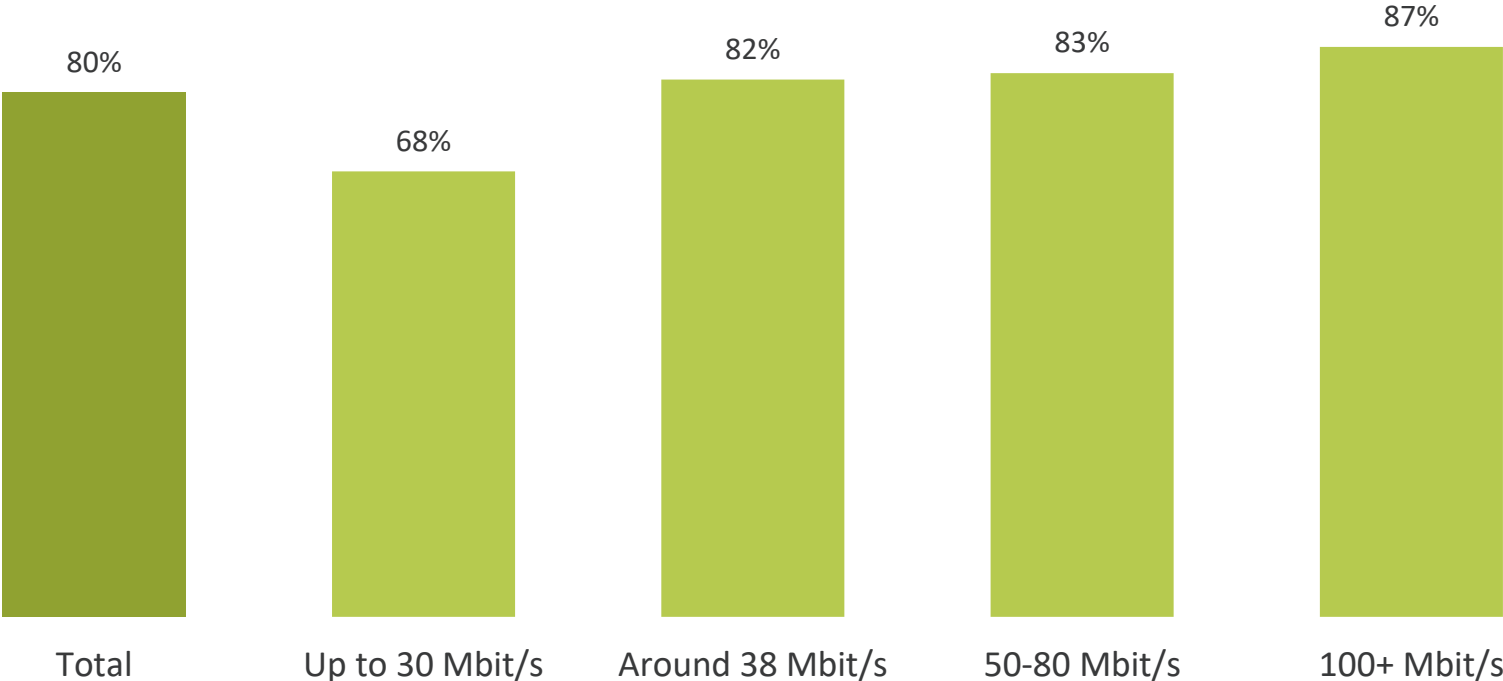
Attitudes to current broadband service

Respondents' opinion on whether broadband speed is sufficient

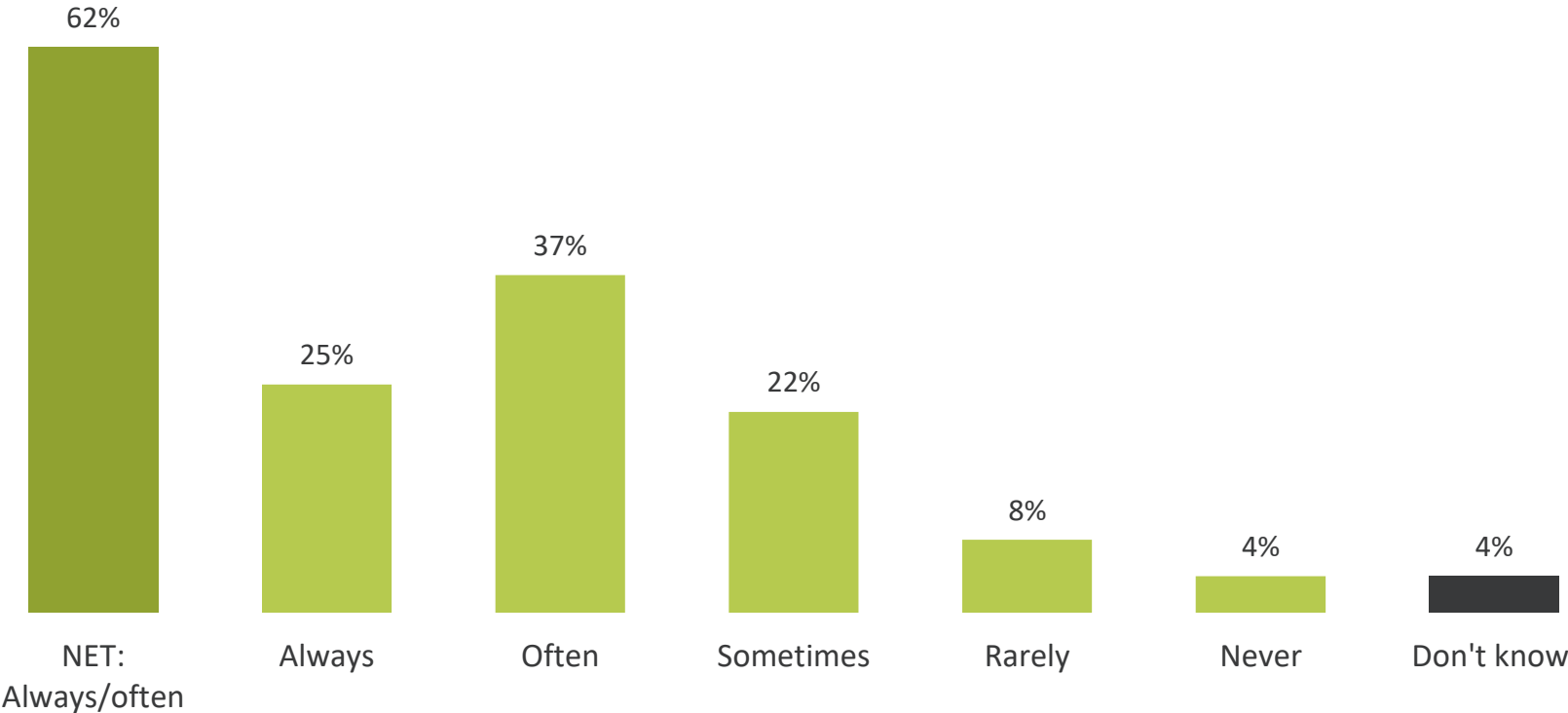


Respondents' opinion on whether broadband speed is sufficient, by advertised speed of broadband package

NET Always/Often

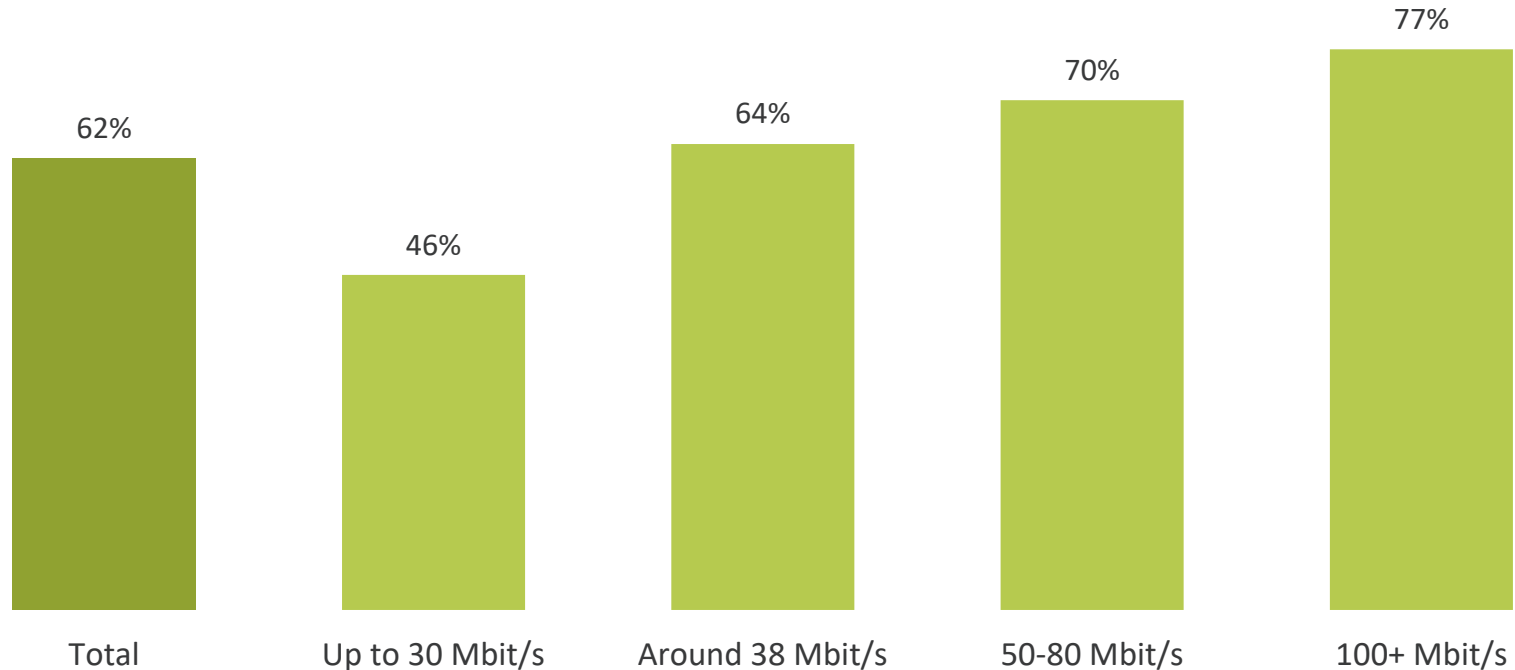


Satisfaction with home broadband speed while conducting activities simultaneously

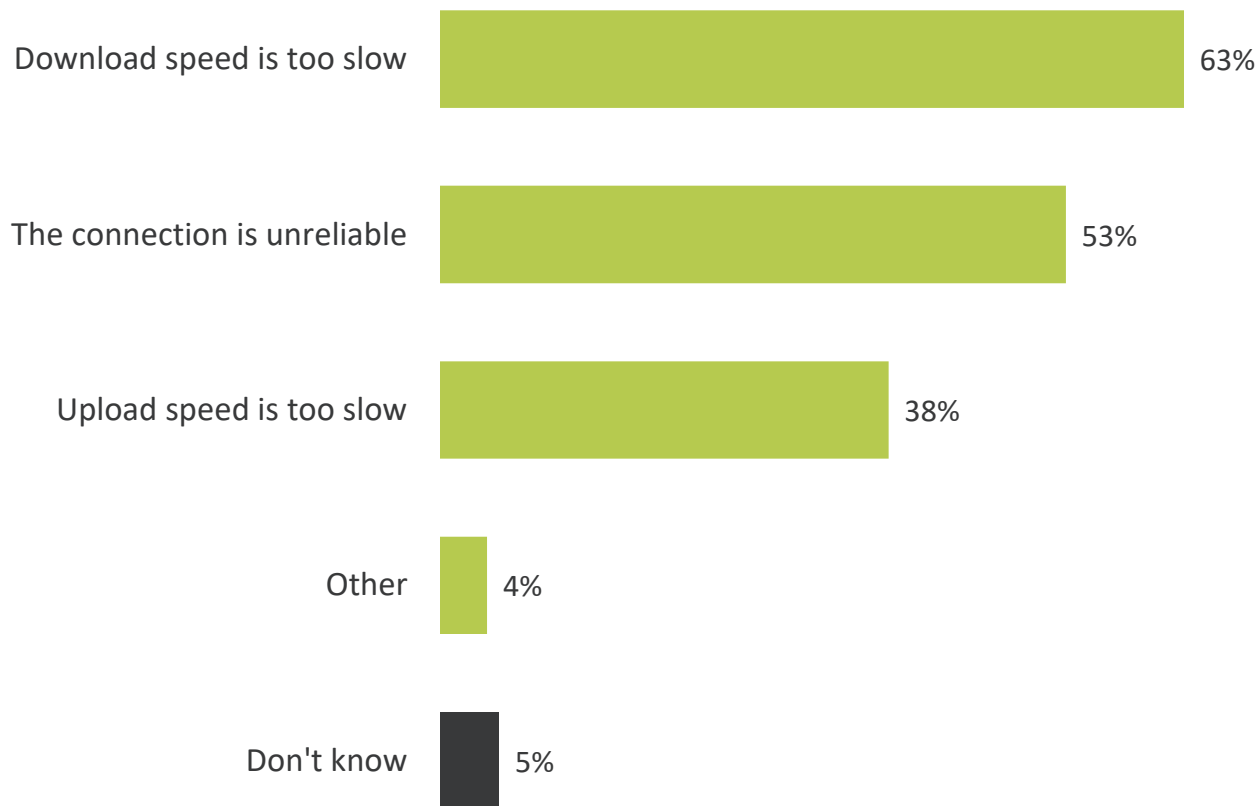


Satisfaction with home broadband speed while conducting activities simultaneously, by advertised speed of broadband package

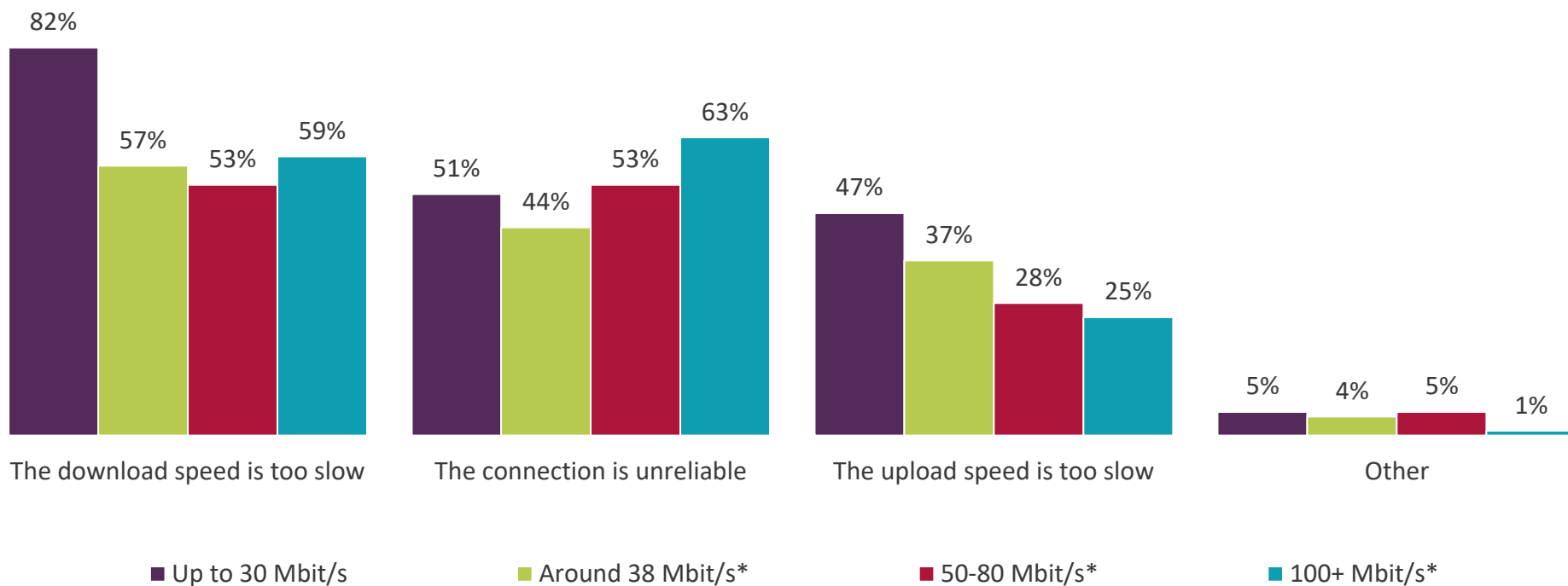
NET Always/Often



Reasons why broadband speed is not always/often sufficient



Reasons why broadband speed is not always/often sufficient for household by advertised broadband speed



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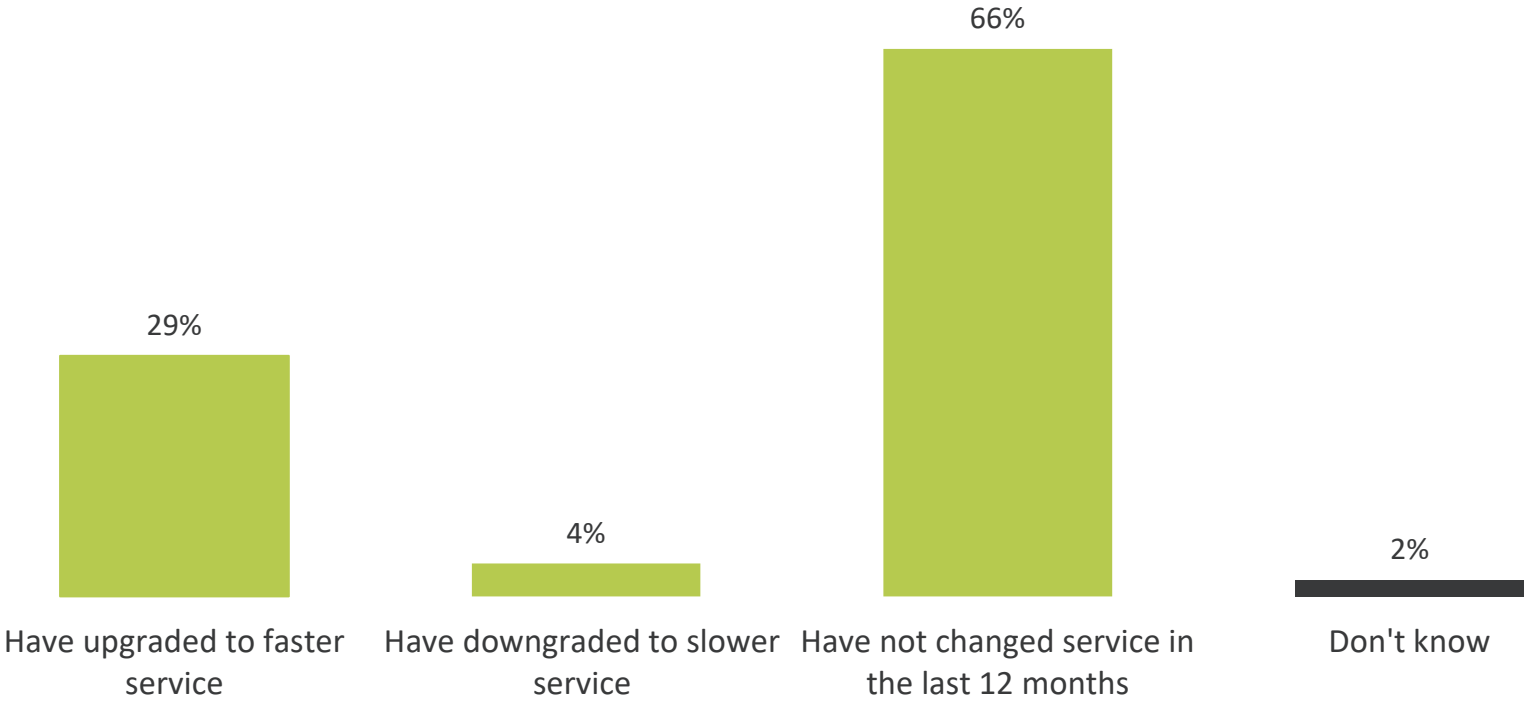
Q9. Why is your broadband speed not always sufficient for your household?

Base: All respondents who say their broadband speed is not always sufficient: Standard broadband (148), Early-entry superfast broadband (88*), Faster superfast broadband (81*), Faster superfast broadband / Ultrafast (63*)

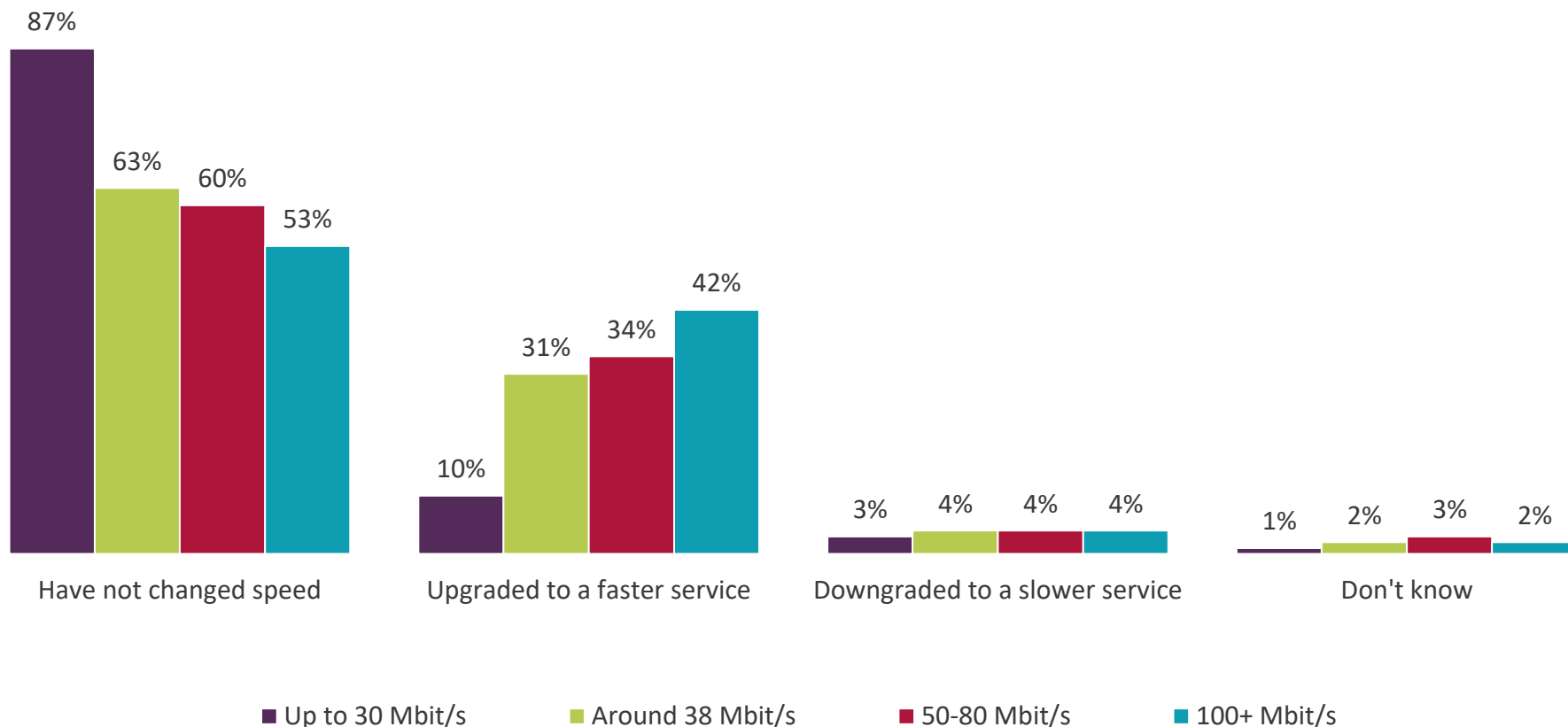
*Caution: low base size

Previous and future migrations

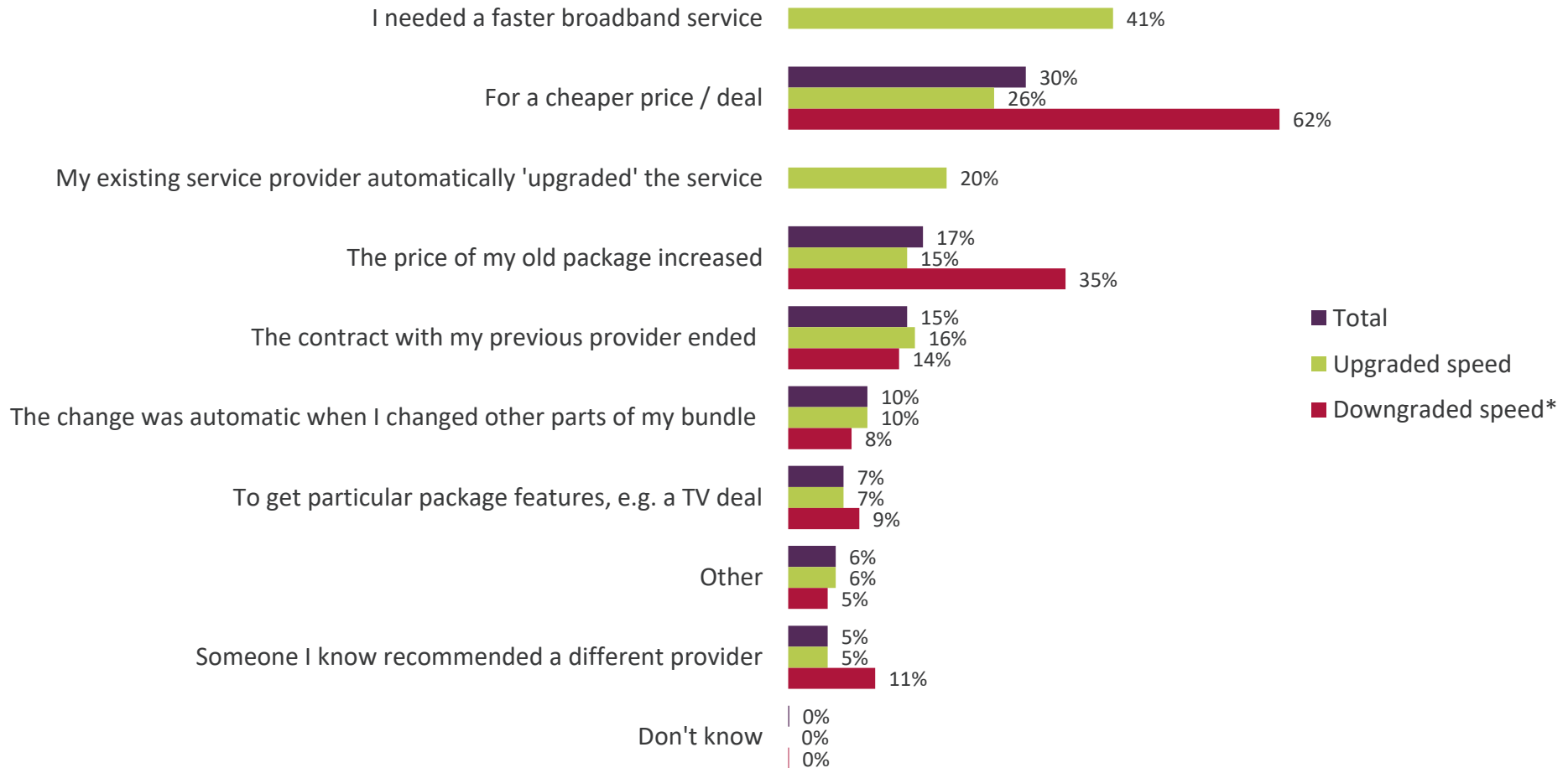
Changes to speed of home broadband service over past 12 months



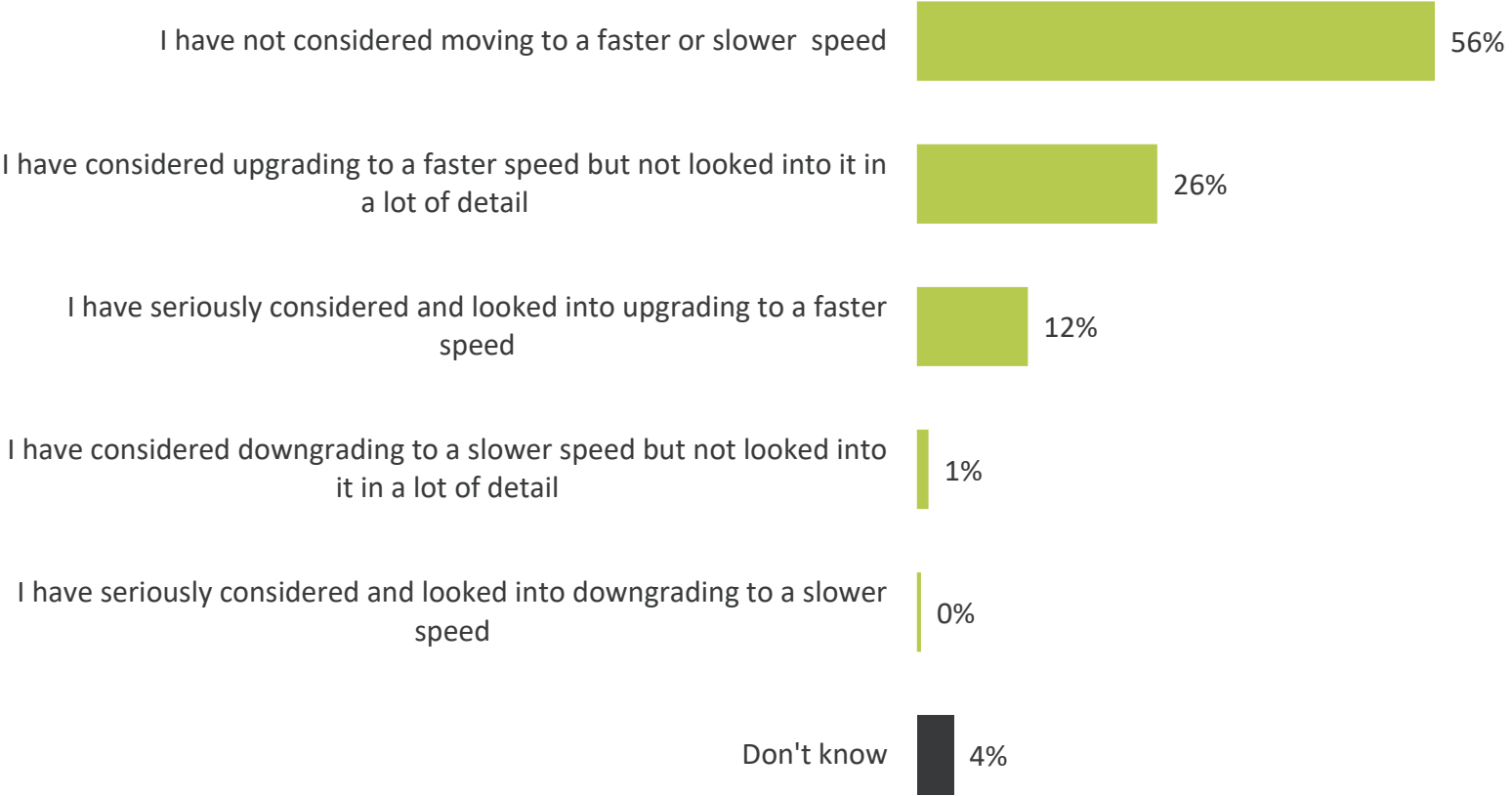
Changes to speed of home broadband service in past 12 months, by advertised broadband speed



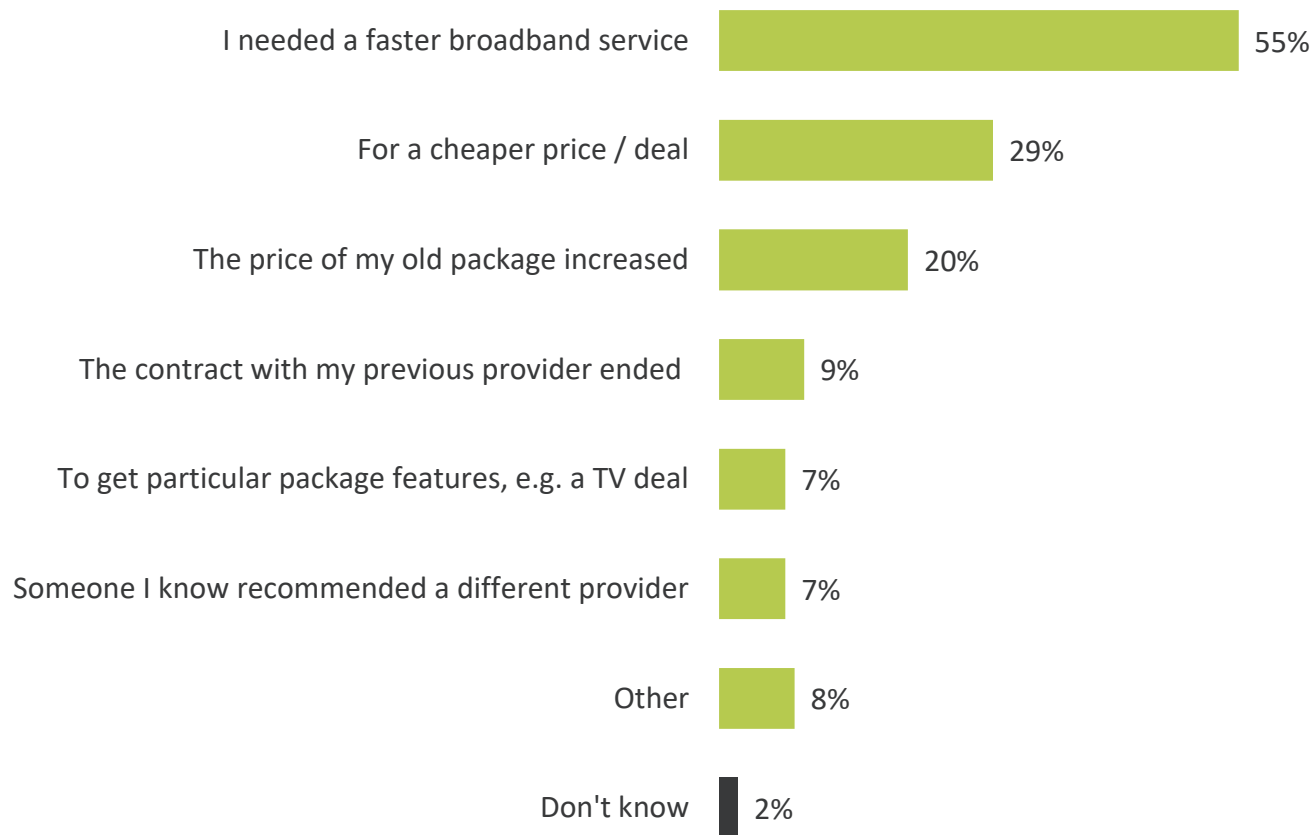
Reasons for changing speed of home broadband service in past 12 months



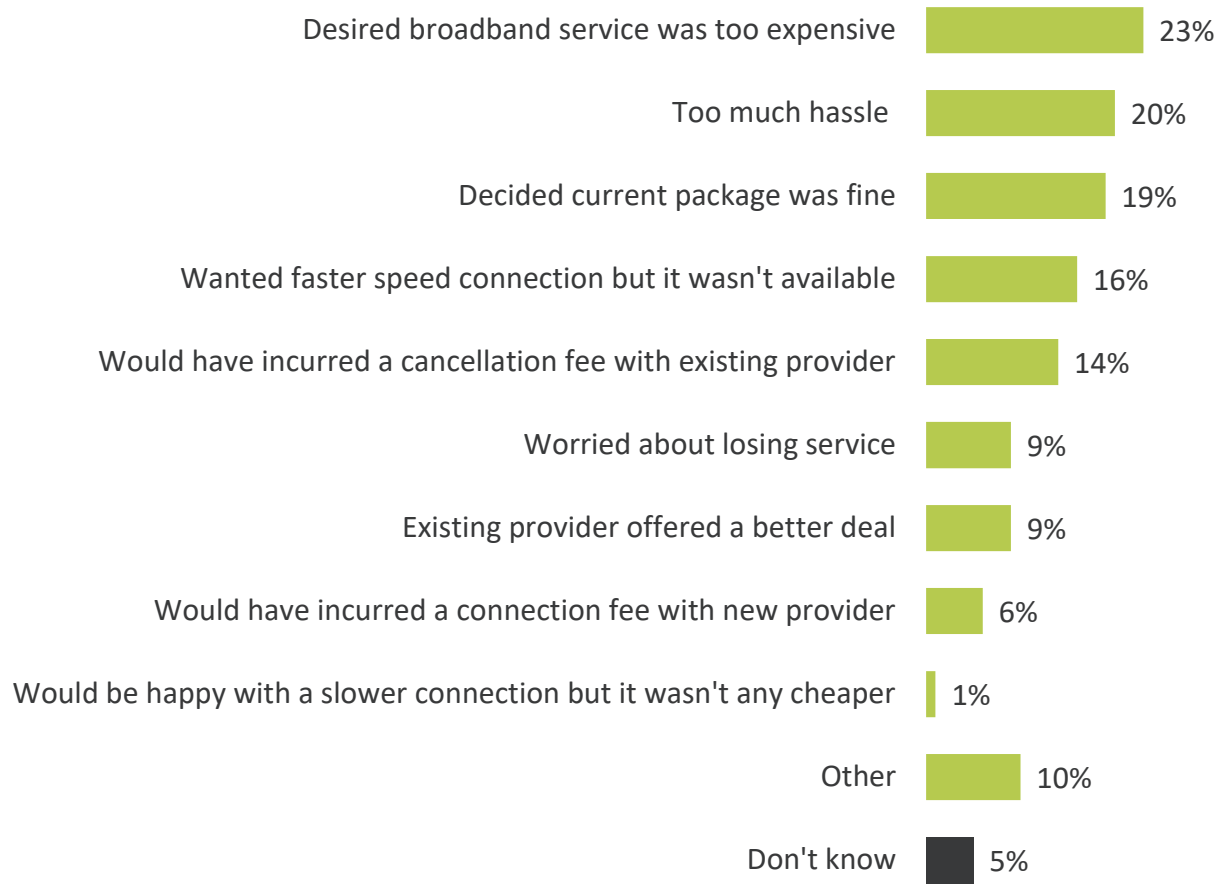
Consideration of changing speed of home broadband service in past 12 months



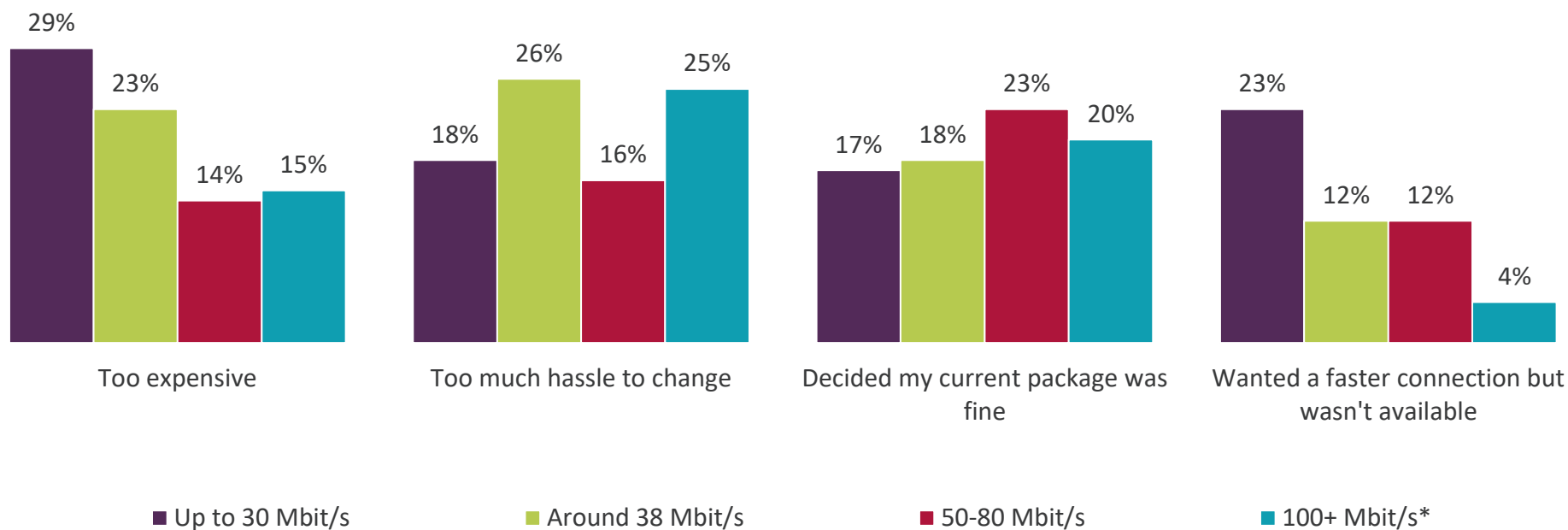
Reasons for considering changing speed of home broadband service in the past 12 months



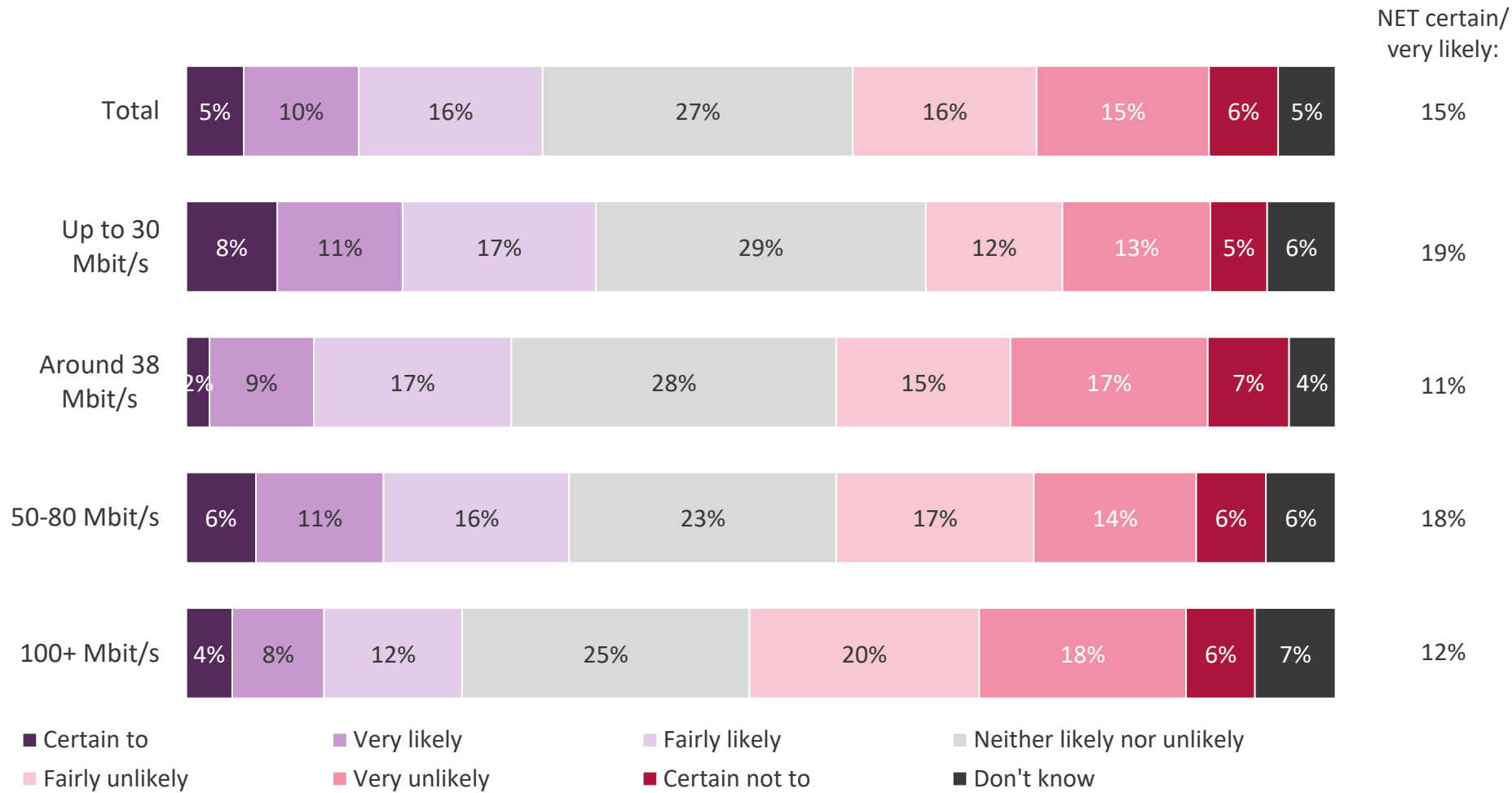
Reasons for not changing speed of home broadband service in past 12 months



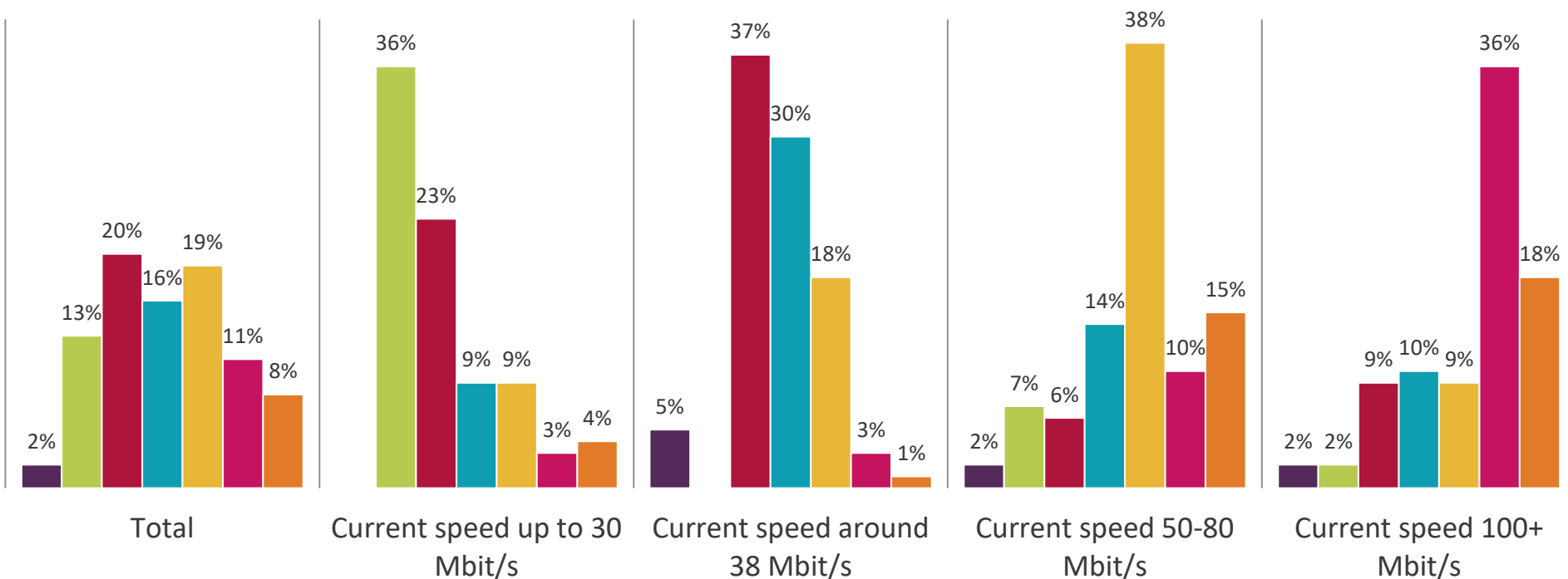
Top four reasons for not changing speed of home broadband service in past 12 months, by advertised broadband speed



Likelihood of changing speed of fixed home broadband service in the next 12 months



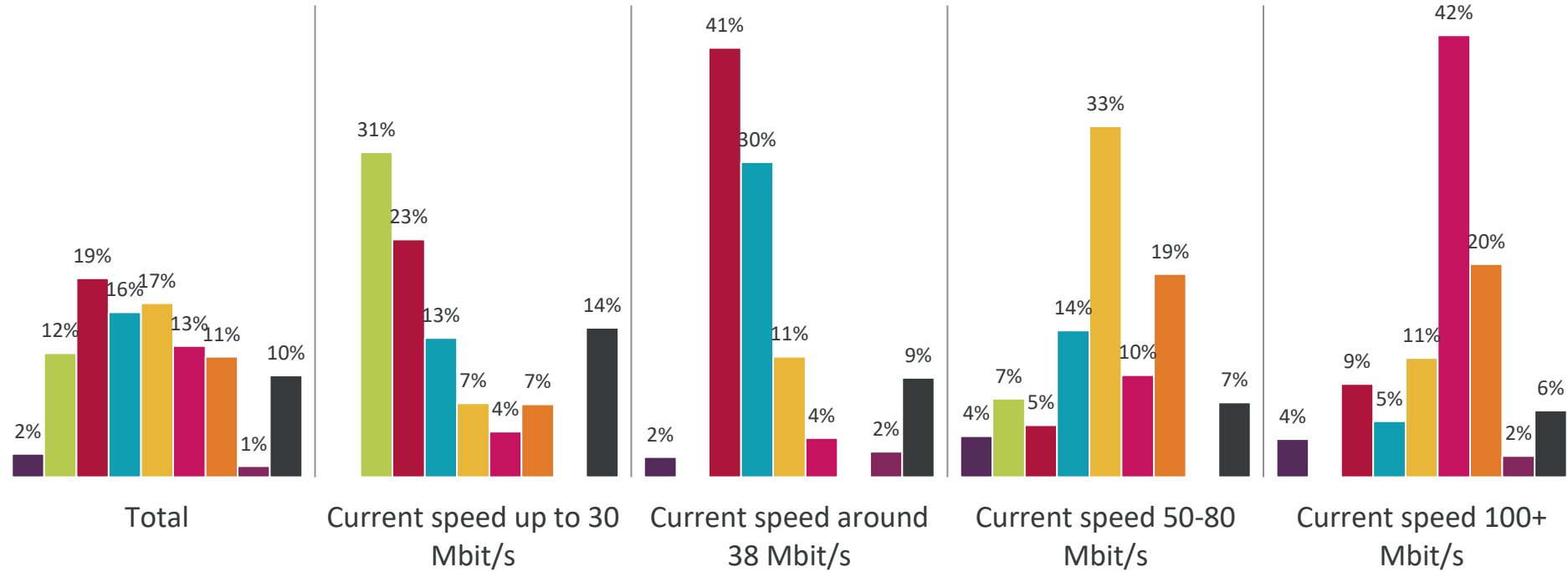
Likely new broadband speed among those certain, very likely or fairly likely to switch



New speed likely to change to:

■ Around 17 Mbit/s ■ Around 38 Mbit/s ■ Around 52 Mbit/s ■ Around 76 Mbit/s ■ Around 100 Mbit/s ■ Around 200 Mbit/s ■ 300 Mbit/s or more

Likely new broadband speed among those certain or very likely to switch



New speed likely to change to:

- Around 17 Mbit/s
- Around 38 Mbit/s
- Around 52 Mbit/s
- Around 76 Mbit/s
- Around 100 Mbit/s
- Around 200 Mbit/s
- 300 Mbit/s or more
- Other
- Don't Know

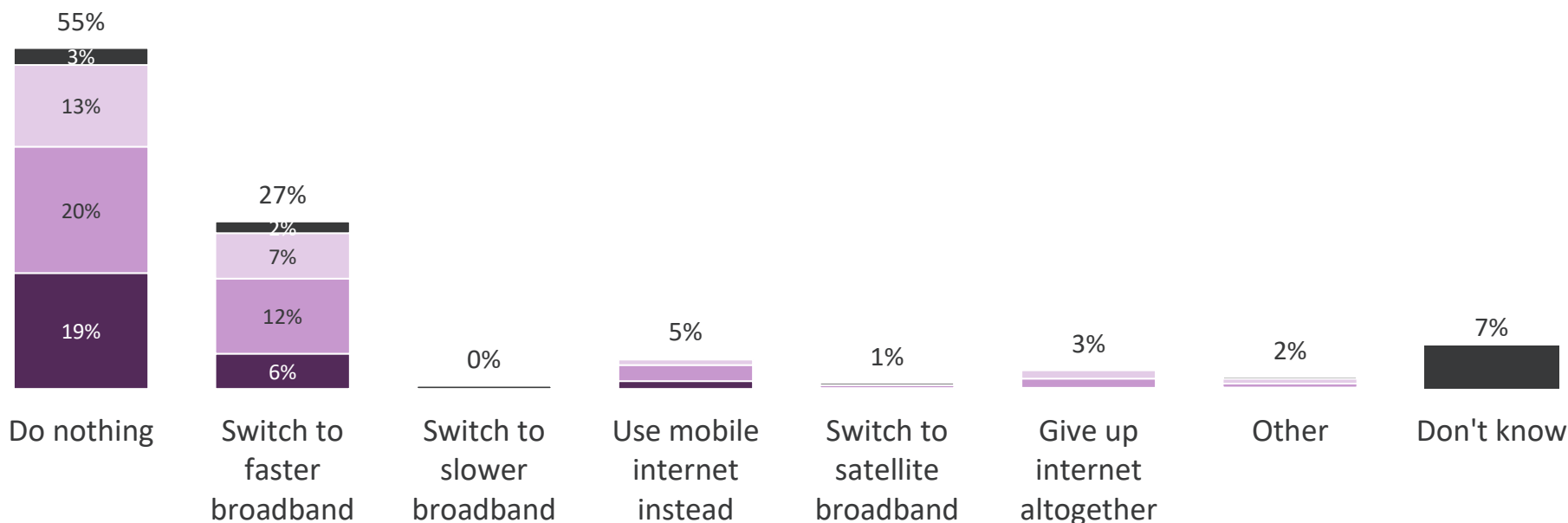
Responses to increase in price of current broadband services

Background

- We asked respondents to imagine that all home broadband providers charge the same monthly amount for their current broadband speed
- We then asked respondents about their responses to different price increases for broadband services
- We also split each sub-group into two samples, A and B, and asked each sample about different price increases. The price increases presented to sample A were roughly equivalent to 5% of an average retail dual-play package for the corresponding speed, while the price increases presented to sample B were roughly equivalent to 10% of an average retail dual-play package
- The table below summarises the price increases used for each sample in the questionnaire.

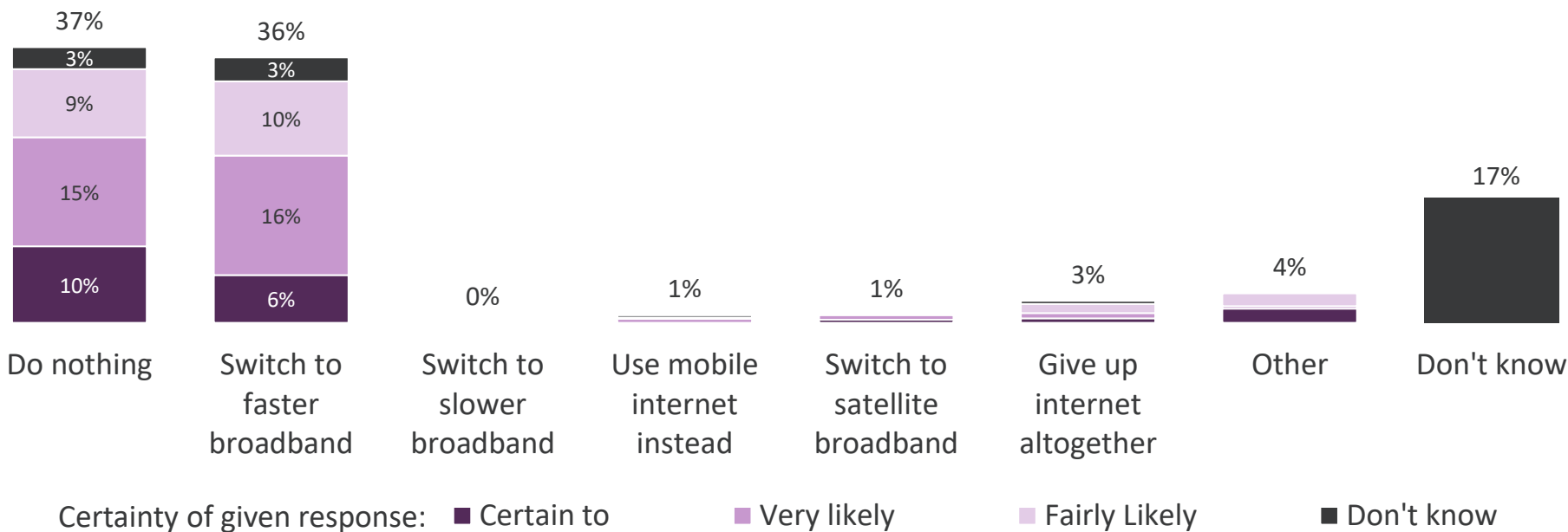
	Sample A	Sample B
Up to 30 Mbit/s	£1.00	£2.50
Around 38 Mbit/s	£1.50	£3.00
50+ Mbit/s	£2.50	£4.00

Up to 30 Mbit/s

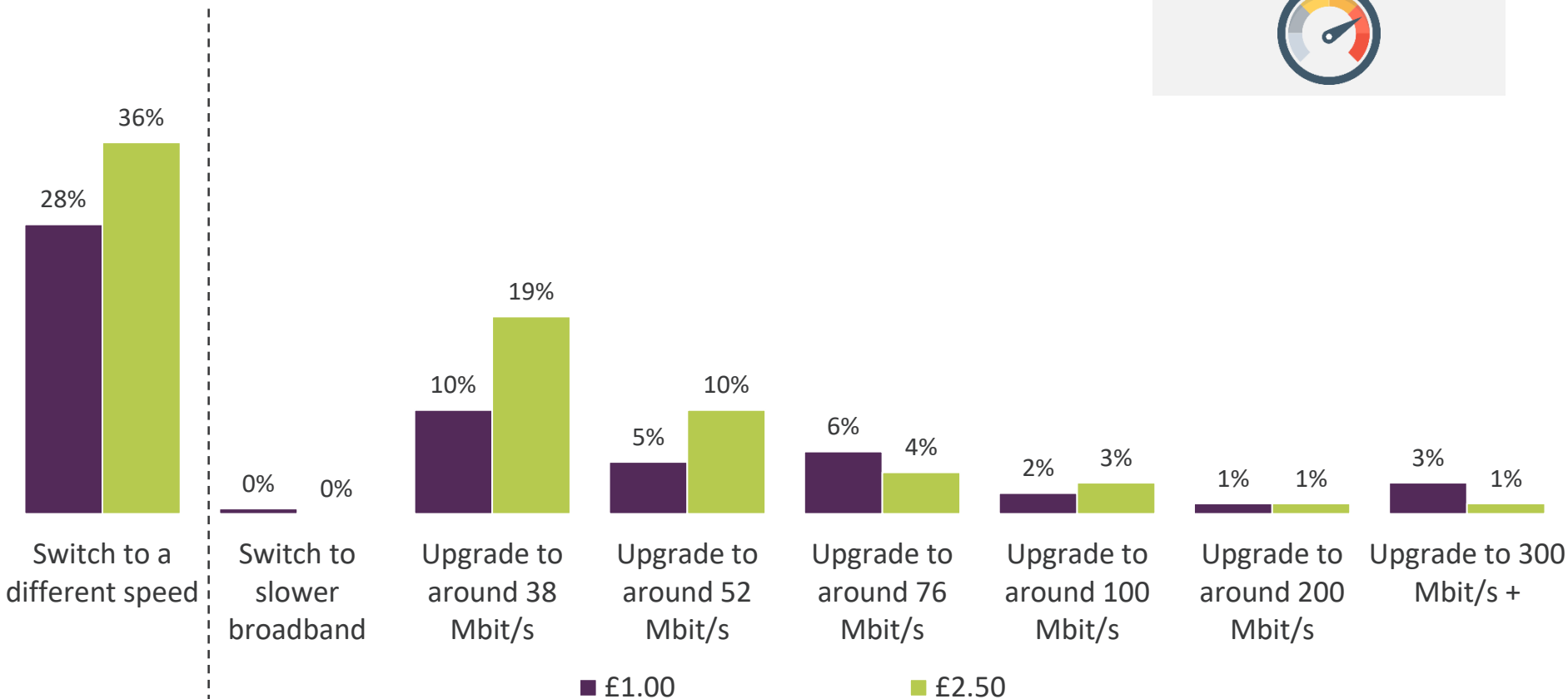
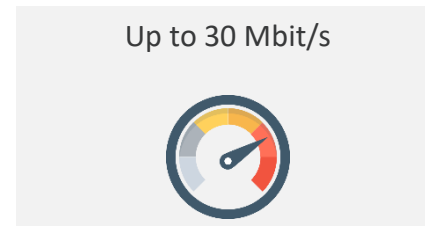


Certainty of given response: ■ Certain to ■ Very likely ■ Fairly Likely ■ Don't know

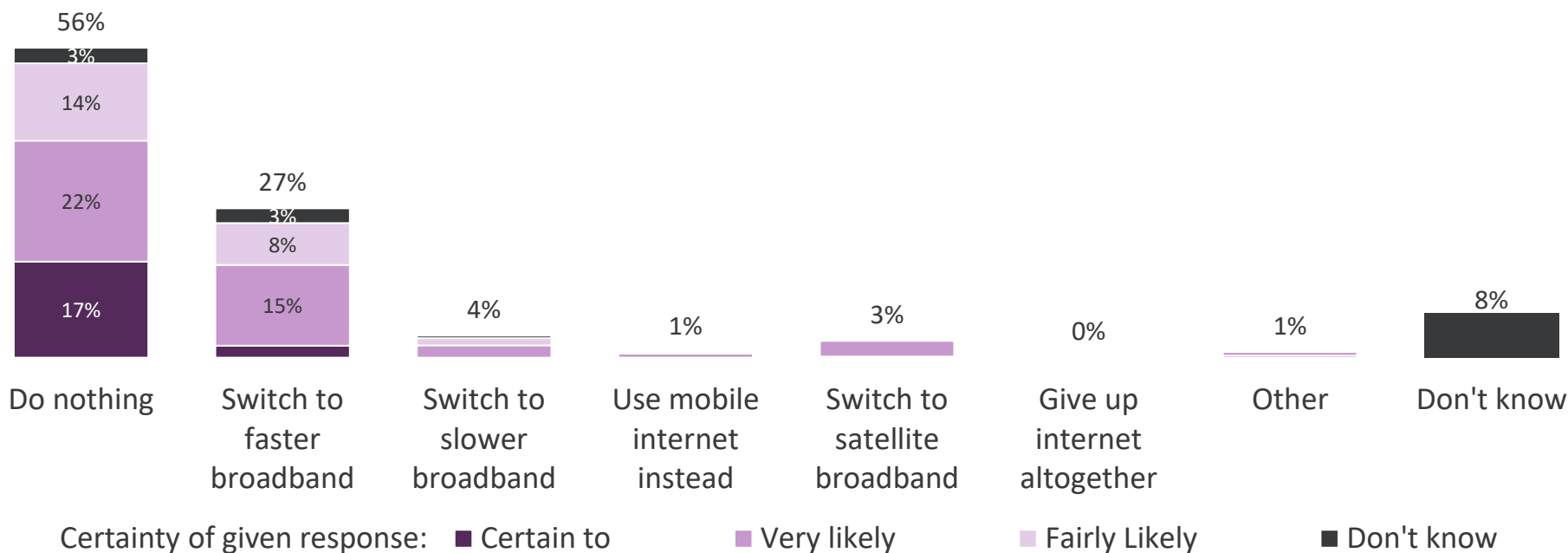
Up to 30 Mbit/s



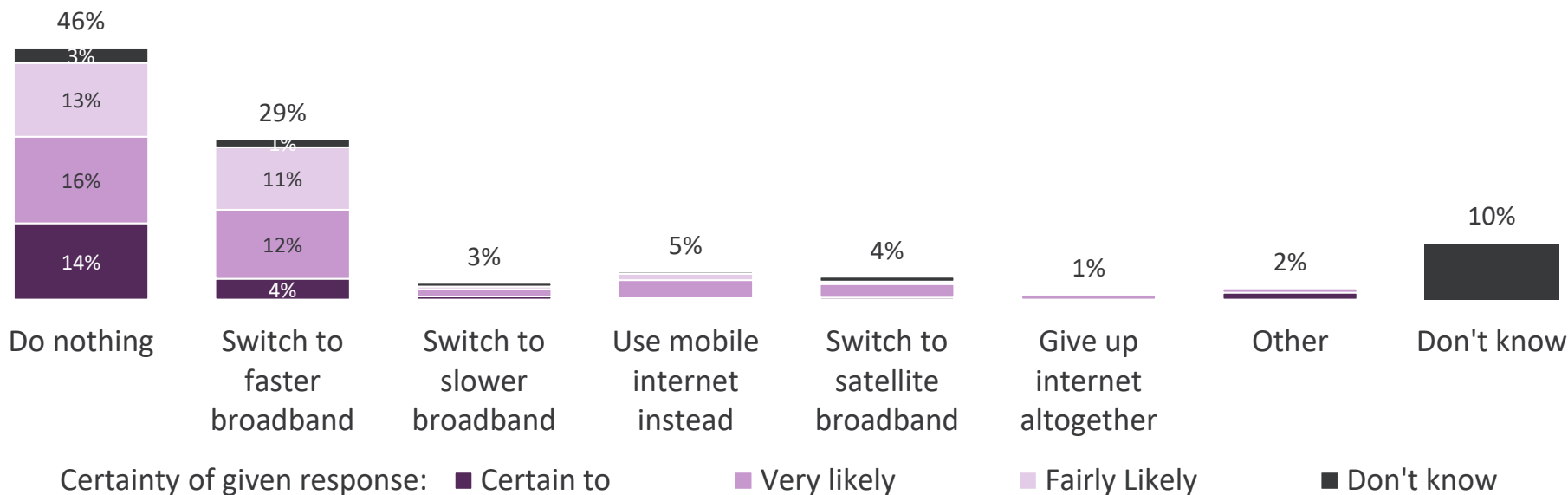
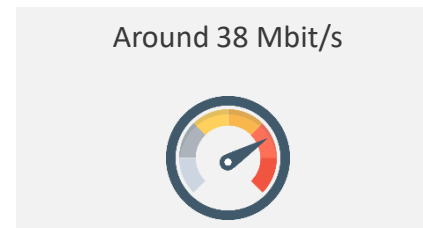
Speed most likely to move to in event of £1.00/£2.50 price increase



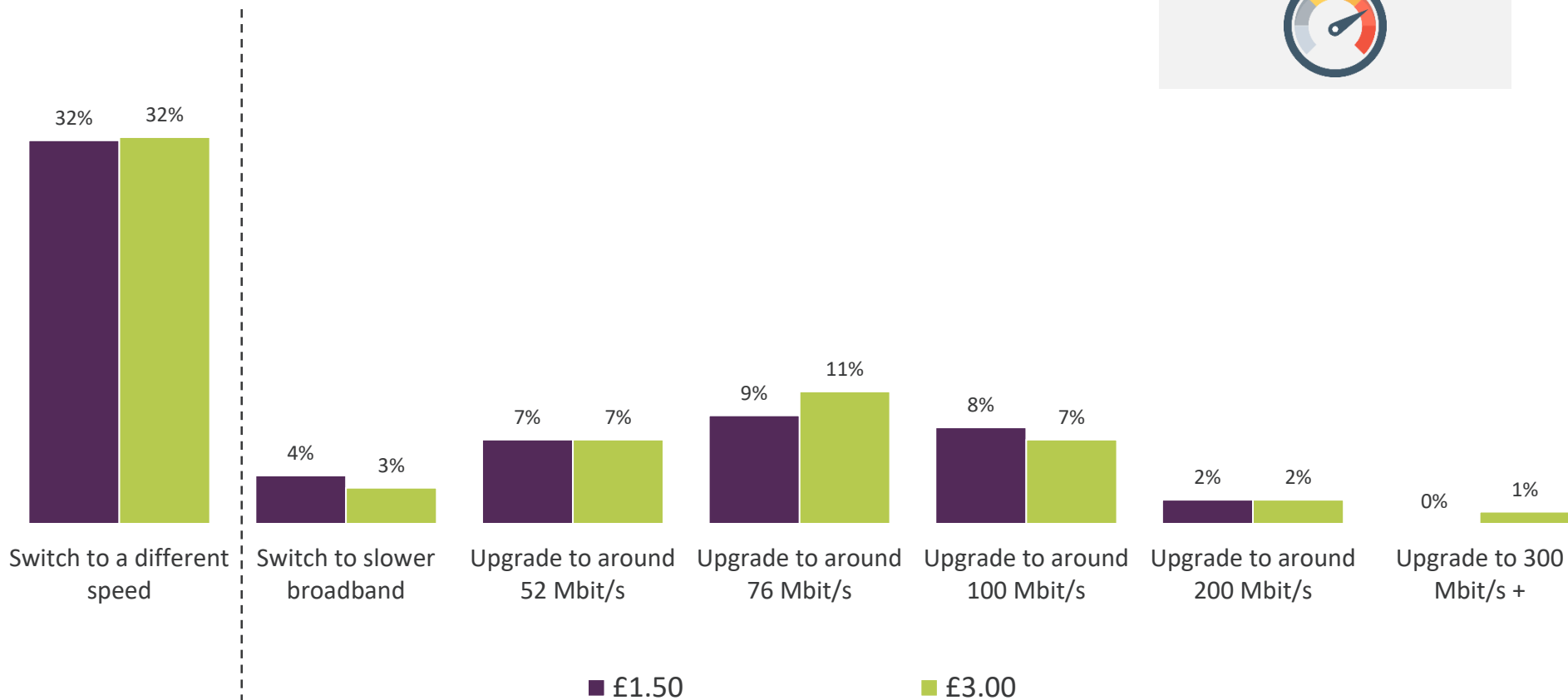
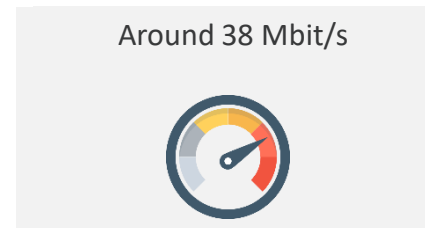
Around 38 Mbit/s



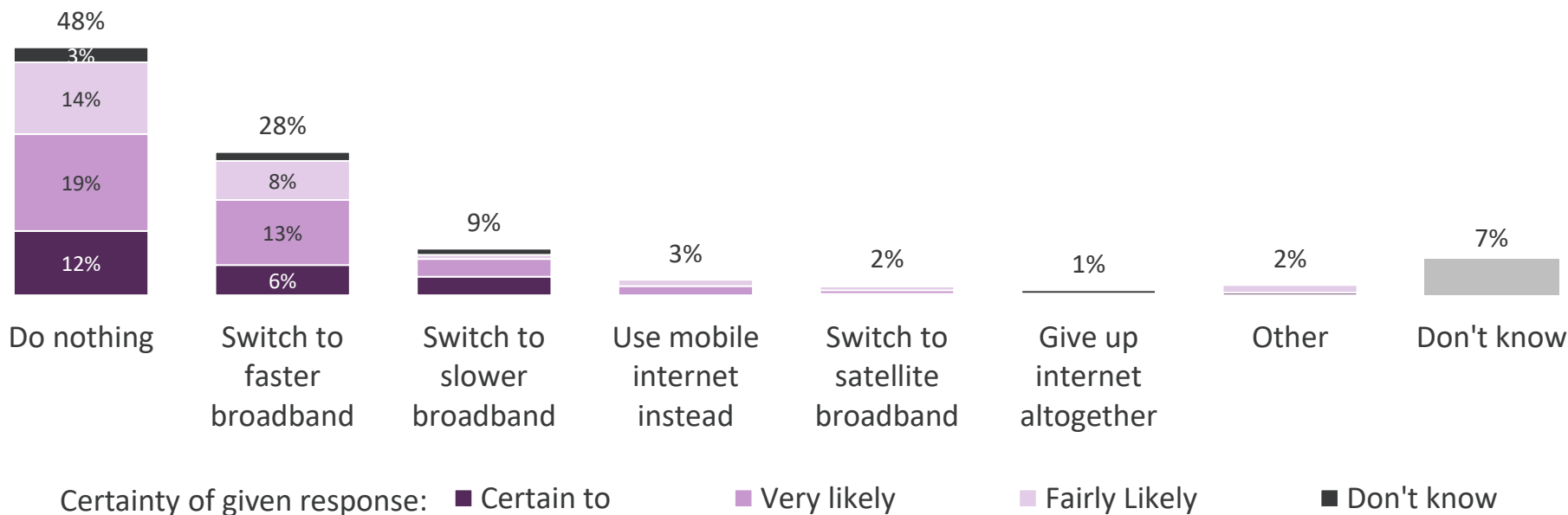
Response to a price increase of £3.00 per month



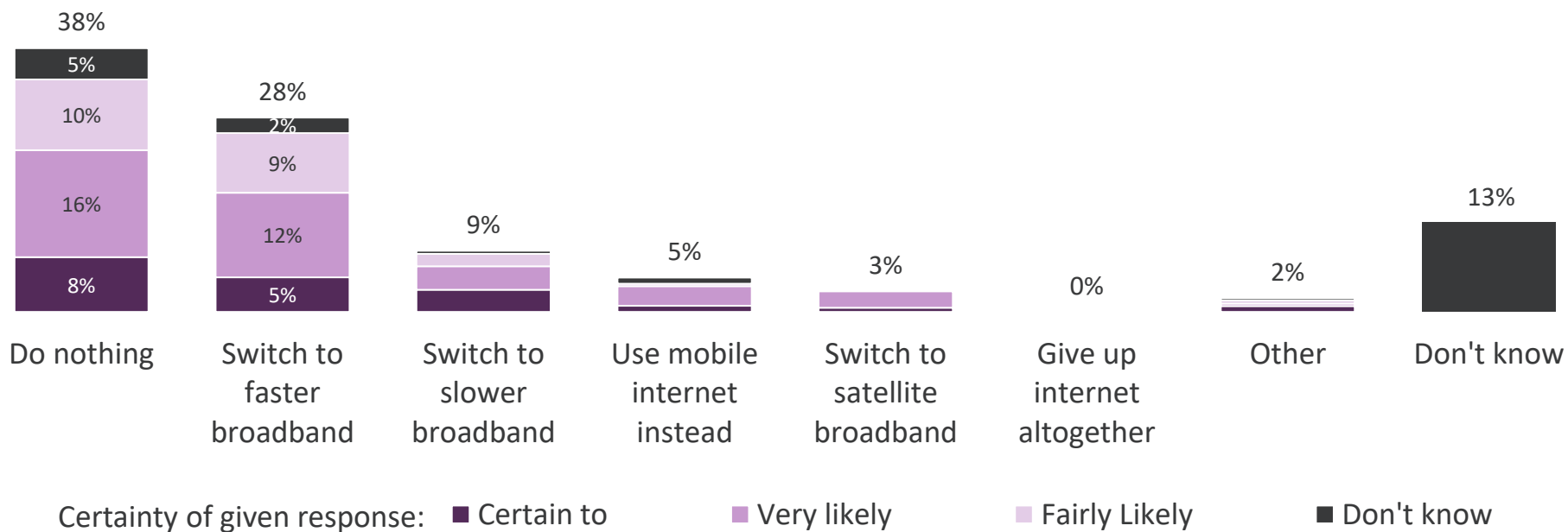
Speed most likely to move to in event of £1.50/£3.00 price increase



50-80 Mbit/s



50-80 Mbit/s

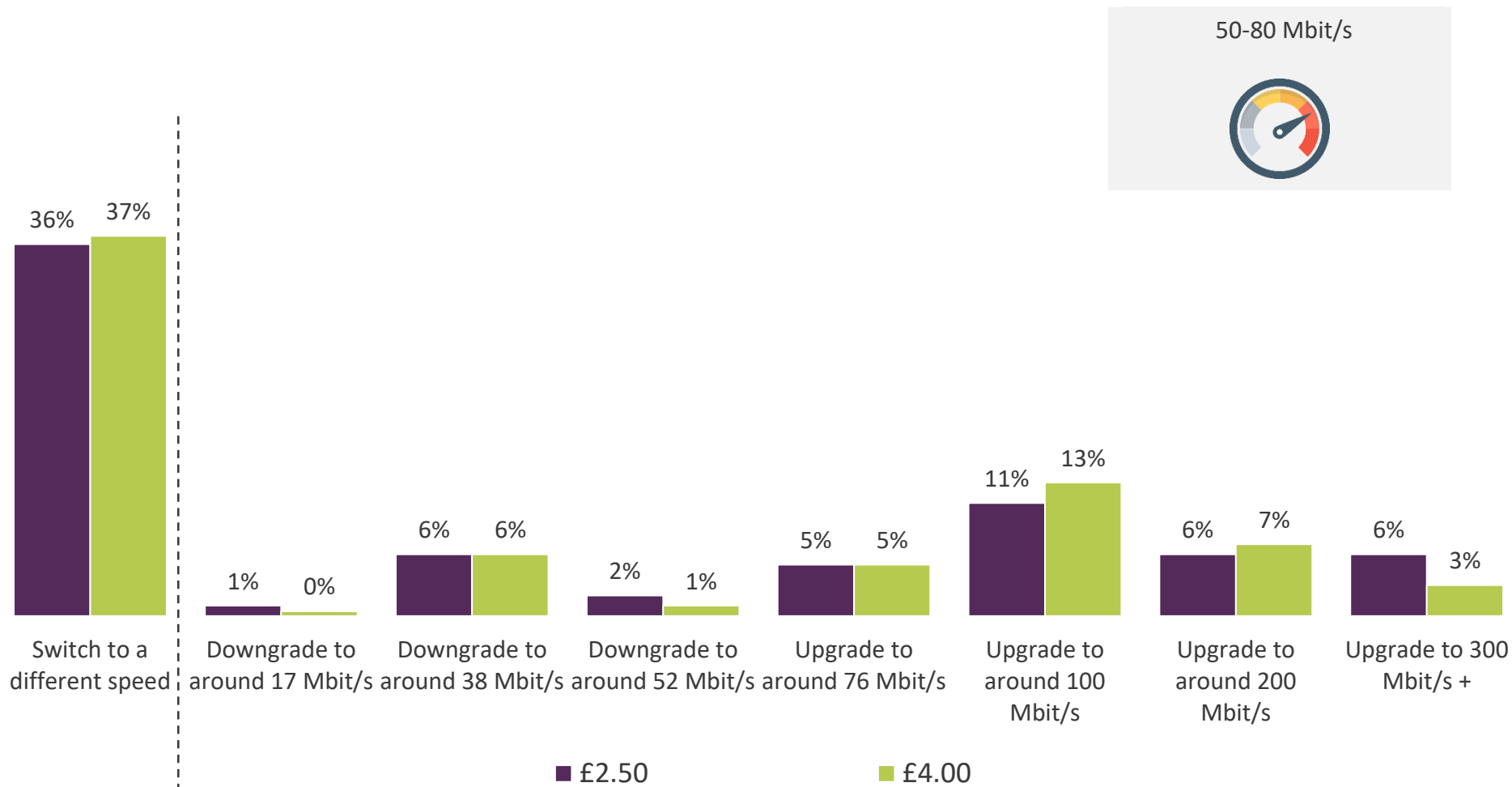


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Q19. For the next section, we would like you to imagine that all home broadband providers charge the same monthly amount for your current broadband speed. Now imagine that all providers raised that price by [£2.50/£4] per month for the same broadband speed. The prices offered by all providers for all other speeds would remain the same as they currently are. In that scenario, what would you do?

Base: All sample B respondents with an advertised speed of around 50-80 Mbit/s (260)

Speed most likely to move to in event of £2.50/£4.00 price increase



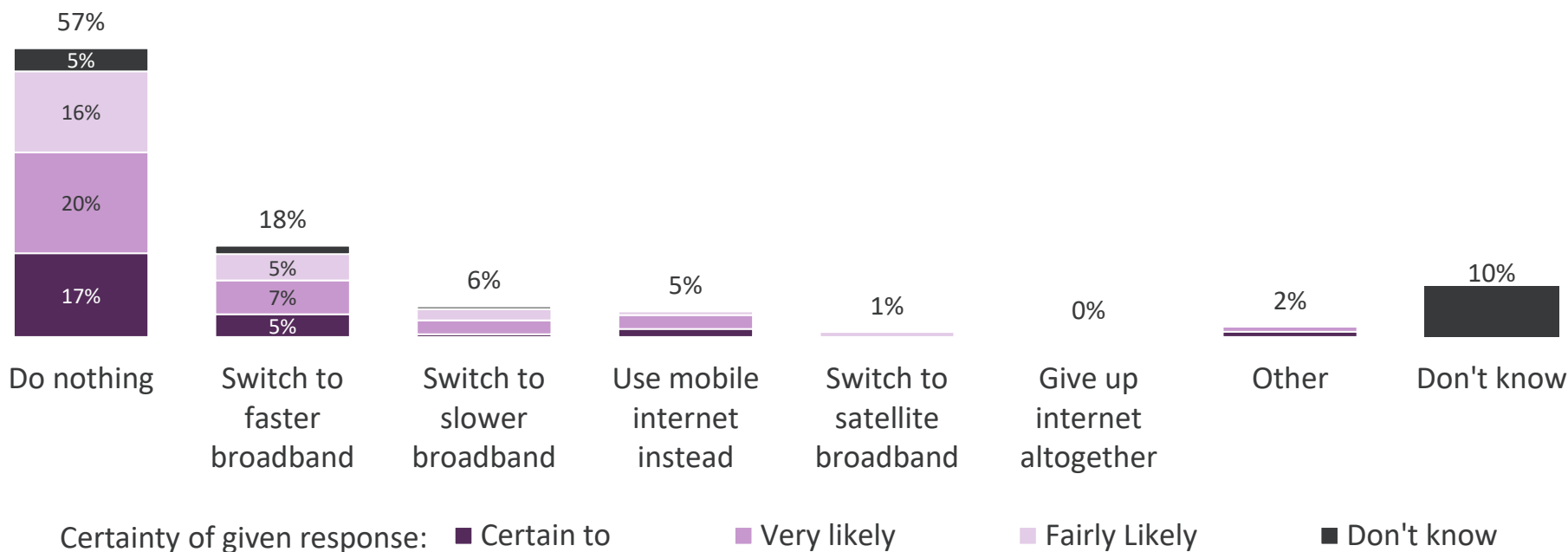
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Q21. And what speed service would you be most likely to move to?

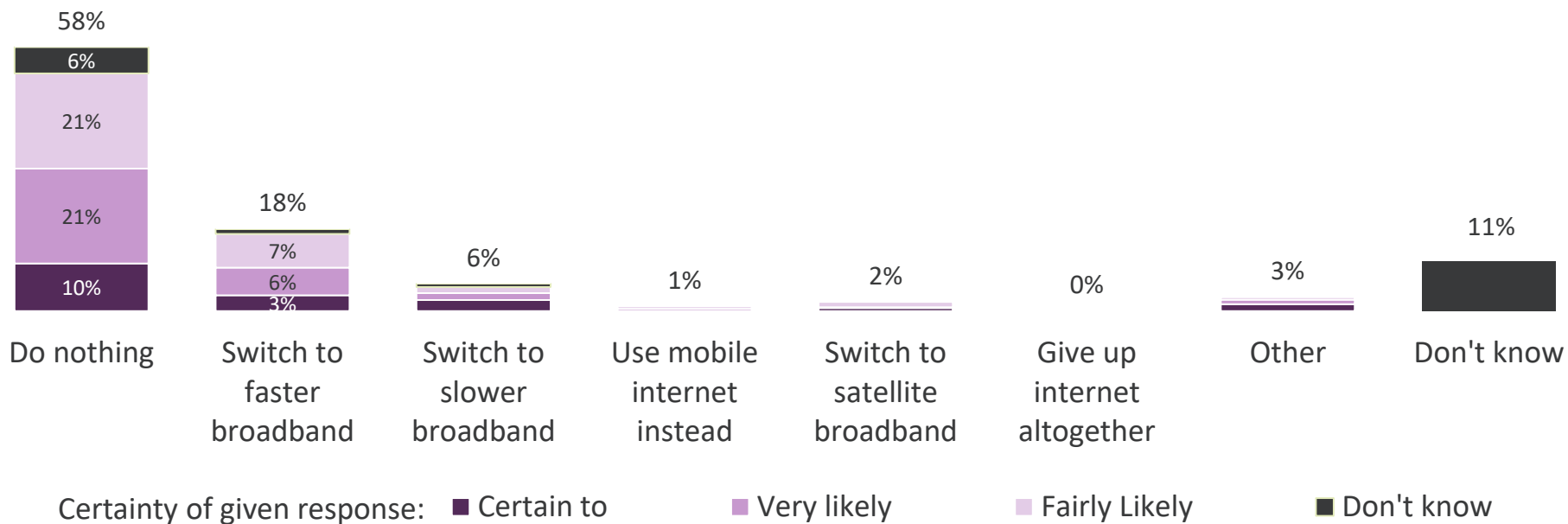
Base: All sample A 50-80 Mbit/s users aware of home broadband speed (240) / All sample B 50-80 Mbit/s users aware of home broadband speed (260).

Note: right hand side of chart excludes those who said they didn't know to what speed they would upgrade/downgrade

100+ Mbit/s



100+ Mbit/s

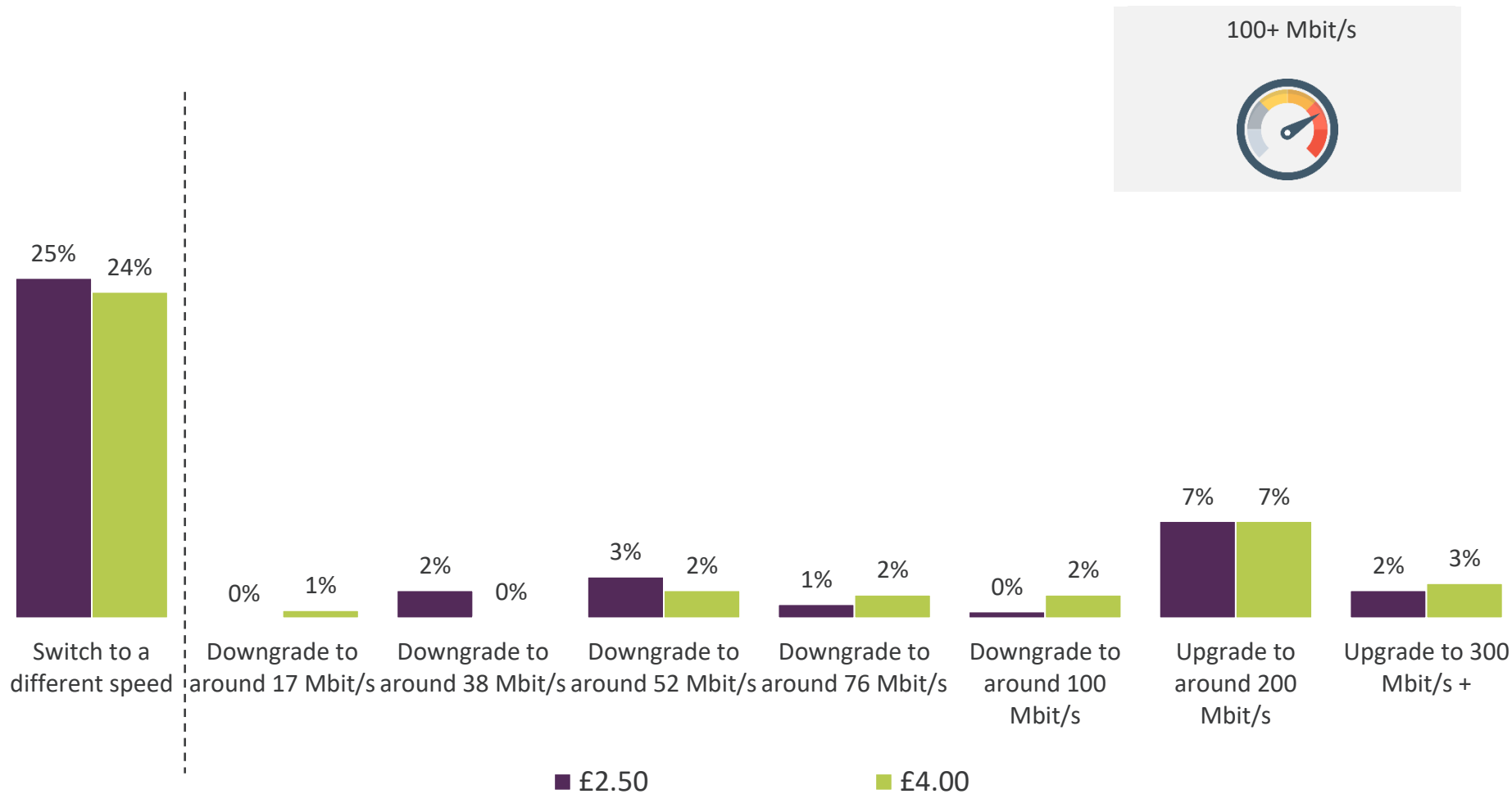


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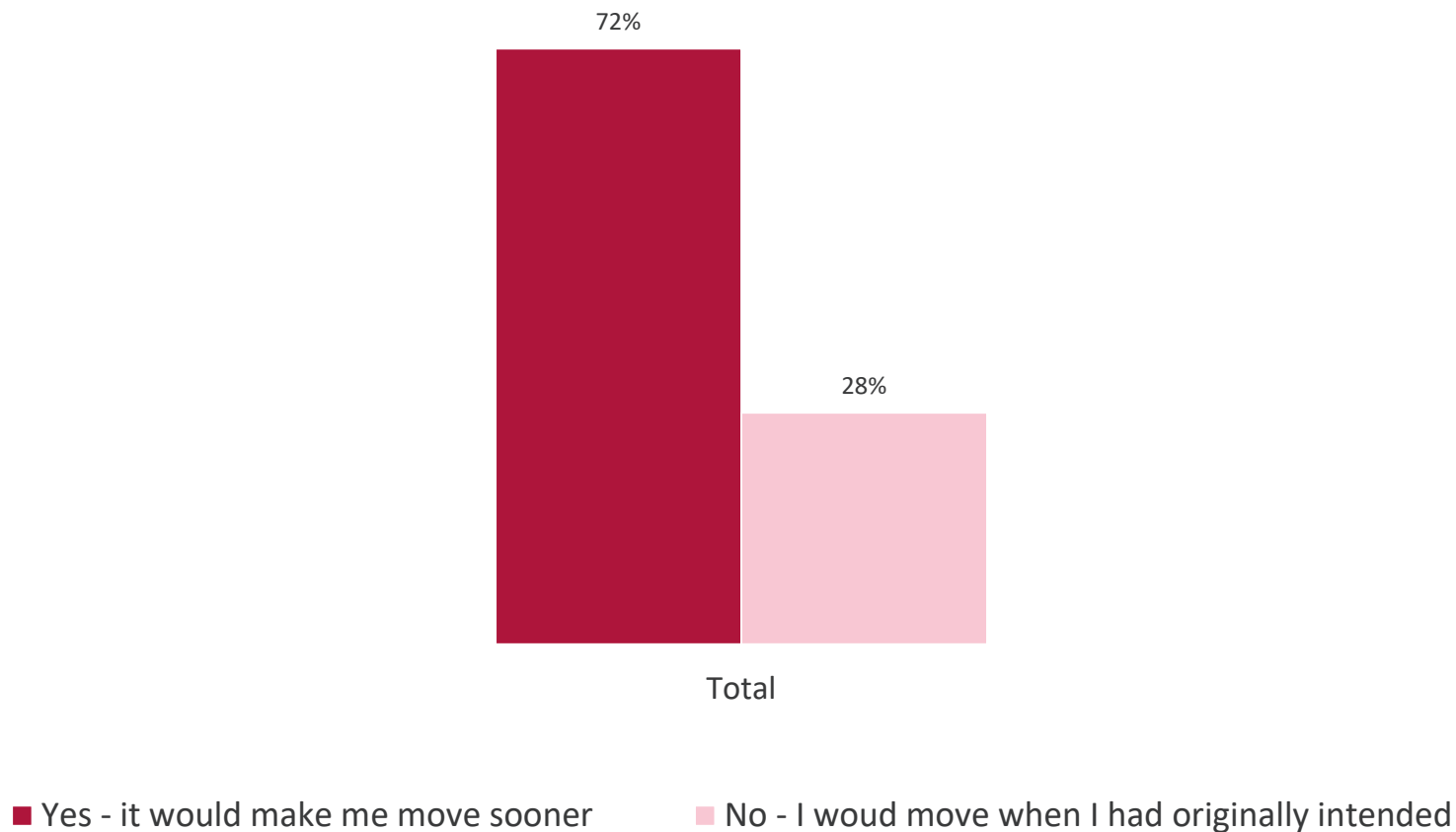
Q19. For the next section, we would like you to imagine that all home broadband providers charge the same monthly amount for your current broadband speed. Now imagine that all providers raised that price by [£2.50/£4] per month for the same broadband speed. The prices offered by all providers for all other speeds would remain the same as they currently are. In that scenario, what would you do?

Base: All sample B respondents with an advertised speed of 100+ Mbit/s (253)

Speed most likely to move to in event of £2.50/£4.00 price increase

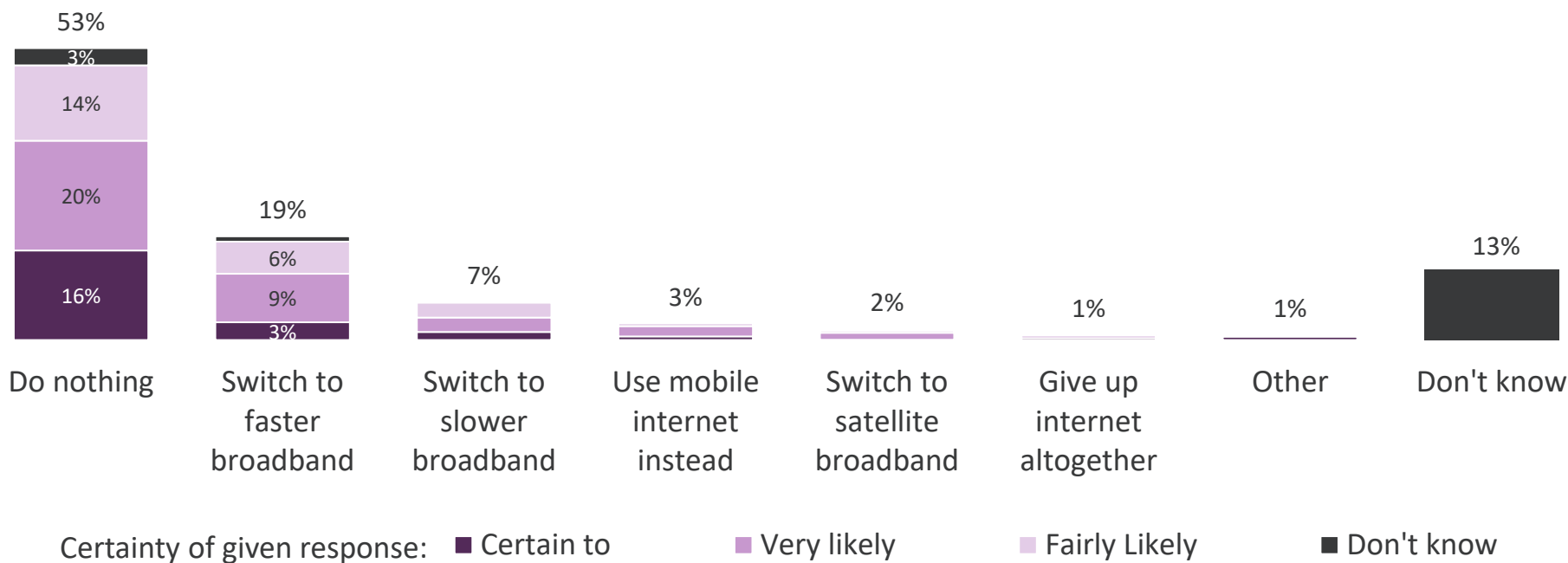


Impact of price increase for respondents who already said they were planning to move to this speed service in the next 12 months



Responses to increase in price of all superfast broadband services

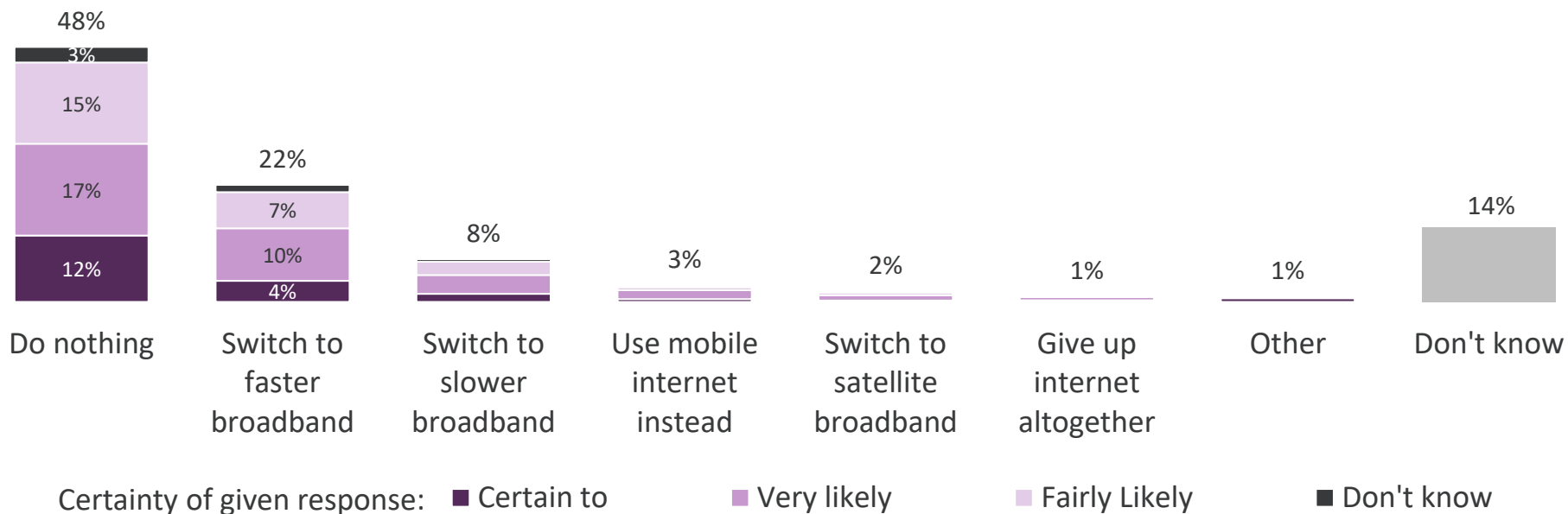
38+ Mbit/s



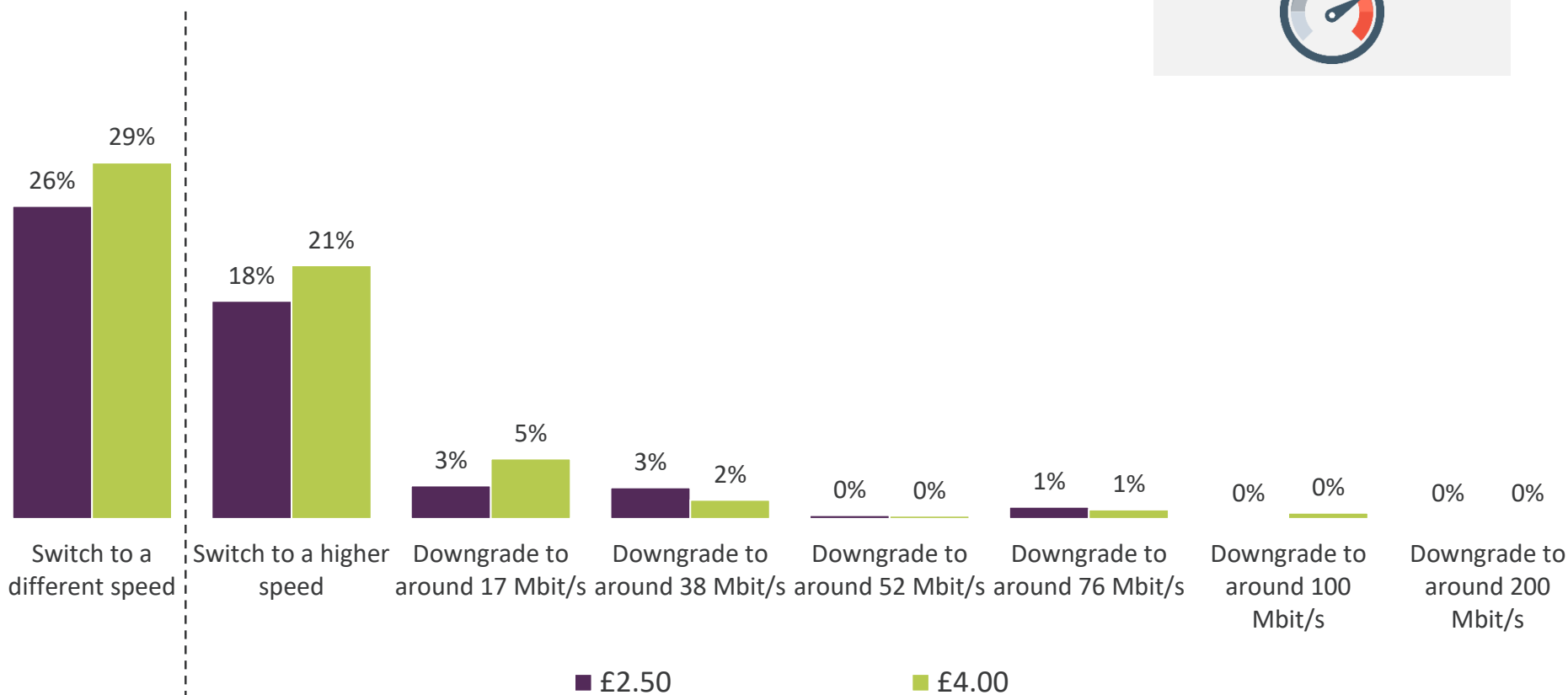
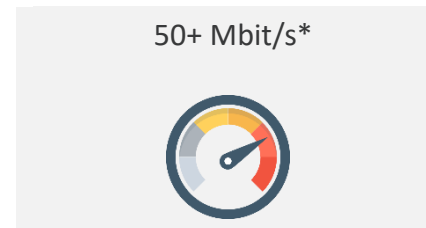
38+ Mbit/s



Response to a price increase of £3.00/£4.00 per month



Speed most likely to move to in event of £2.50 and £4.00 price increase



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Q28. And what speed service would you be most likely to move to?

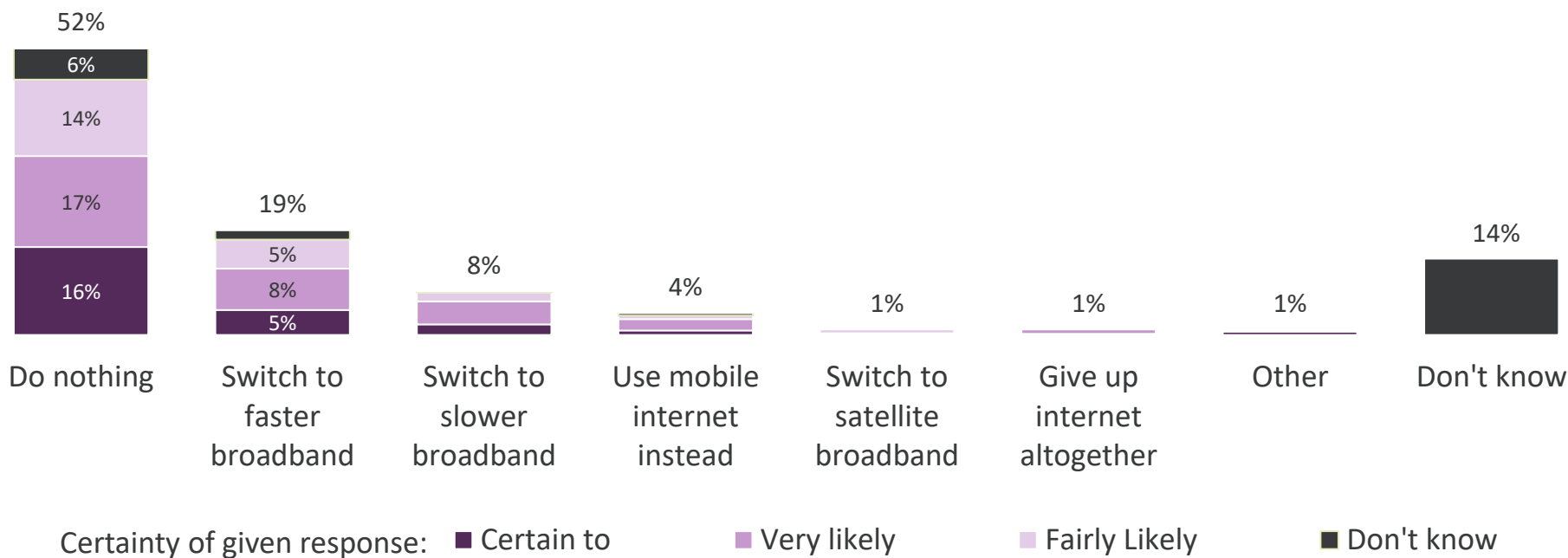
Base: All Sample A 50-80 Mbit/s / 100 Mbit/s+ broadband users (491) / All Sample B 50-80 Mbit/s / 100 Mbit/s+ broadband users (513)

Note: right hand side chart excludes those who said they didn't know to what speed they would upgrade/downgrade.

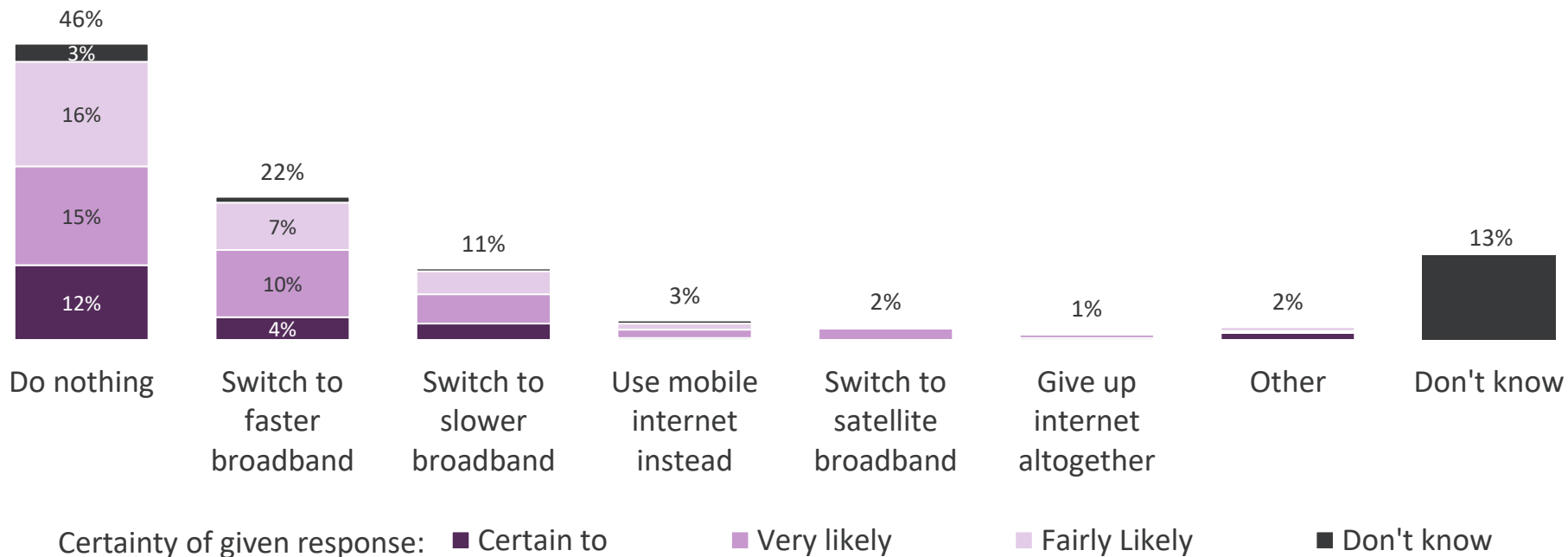
*Respondents with a speed of 38 Mbit/s were not asked which speed they would downgrade to as it was assumed this would have to be around 17 Mbit/s.

Responses to increase in price of all broadband services faster than 38 Mbit/s

50+ Mbit/s



50+ Mbit/s



Speed most likely to move to in event of £2.50/£4 price increase

