

# 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	9%
Female	51	<b>.</b> %
Age		
18-24	12	2%
25-34	17	<b>'</b> %
35-44	16	5%
45-54	18	3%
55-64	14	1%
65+	55+ 23%	
Social grade		
AB		27%
C1		27%
C2		22%

24%

DE

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%

_			
	48.9%	AB	26.4%
	51.1%	C1	27.5%
		C2	21.9%
		DE	24.3%
	14.5%	Number of cars	

mortgage

Council

Other

Social grade

	K a
.%	S
5%	
1%	
%	
	P
	0



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

42.5%

12.0%

45.5%

Number of cars	
1	41.2%
2	28.2%
3+	9.2%
None	20.9%
Tenure	
Own outright	32.3%
Own with	31.9%

Knowledge of advertised broadband speed		who ww
65%	Up to 30 Mbit/s	25%
	38-40 Mbit/s	28%
	50-80 Mbit/s	25%
	100 Mbit/s+	22%
34%		
11%		
	65%	(% of those claim to know advertised some solution of the solu

Foreign holiday	
Yes	60.8%
No	39.2%

8.6%
4.4%
11.5%
8.8%
8.9%
5.0%
9.7%
12.8%
14.0%
8.9%
7.5%
3.0%

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Full time

Part time

Other

Age. Gender. Social Grade. Government office region. Number of cars in the household. Working status. Taken a foreign holiday in the last 3 years. Tenure.

14.6%

21.2%

## making communications work for everyone

### **Methodological comments**

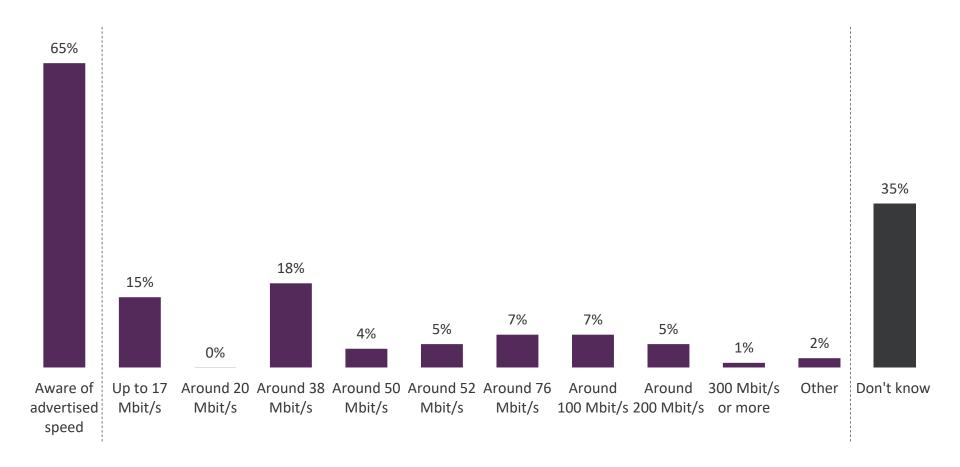
- Online research panels may under-represent consumers who are less engaged than typical fixed internet users. Sample quotas
  were set and weights have been applied to correct for this, ensuring that the sample is demographically representative of the
  UK adult population. However, a degree of attitudinal 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





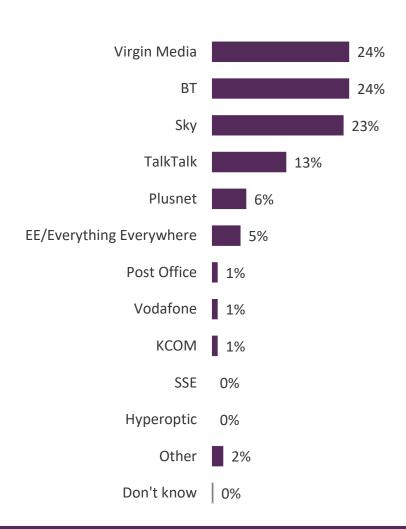
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Q3. What is the maximum advertised speed you expect to receive from your home broadband service i.e. the download speed that your provider says your service can provide? Please only give an answer if you are relatively certain, it is okay not to know.

Base: All respondents aware of their household broadband service provider (2743)

### Home broadband provider





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Q2. Who is your current home broadband provider?

Base: All respondents who pay for or contribute to household broadband service (2749)

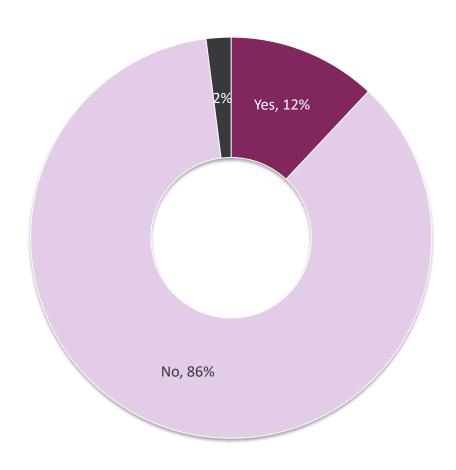
### Amount paid per month for broadband package





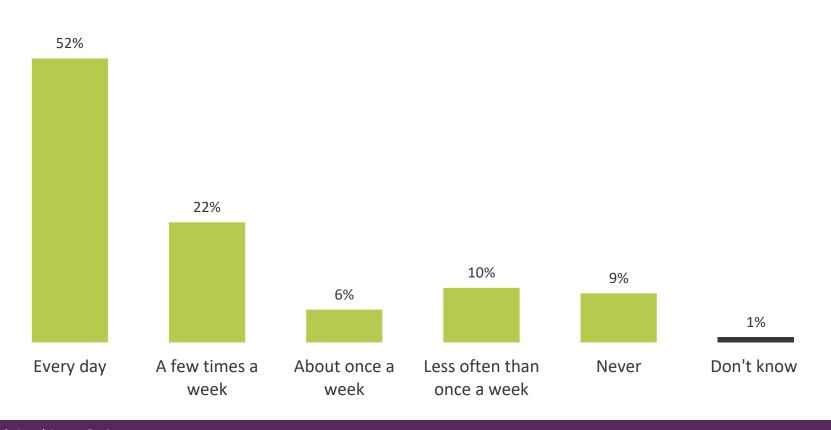
# Percentage of respondents who pay line rental to a different provider to their home broadband provider





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



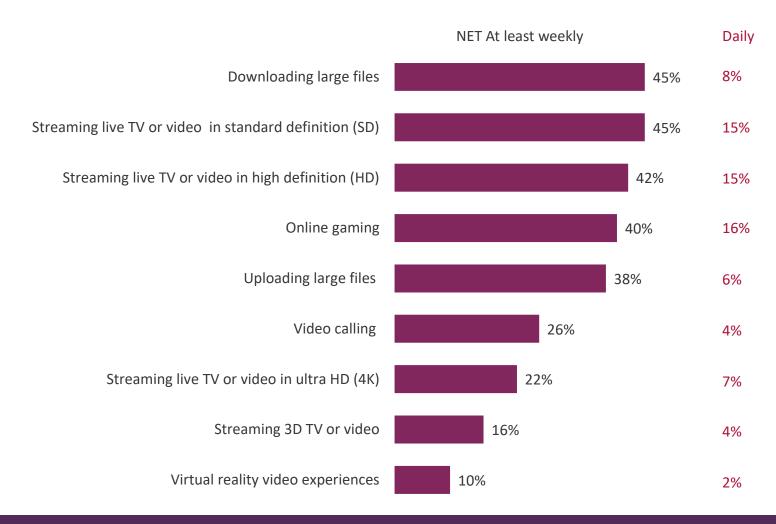


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Q10. How often is your home broadband service used for several tasks at the same time? This could be several people doing the same type of activity, or different activities at the same time. Please think specifically about activities such as downloading and uploading files, video calling and streaming TV or videos.

### Frequency of carrying out different activities online via home broadband connection



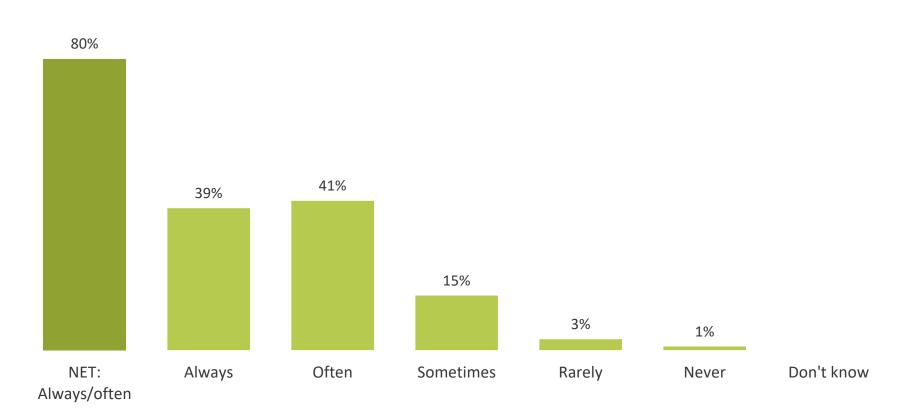




### Attitudes to current broadband service

### Respondents' opinion on whether broadband speed is sufficient





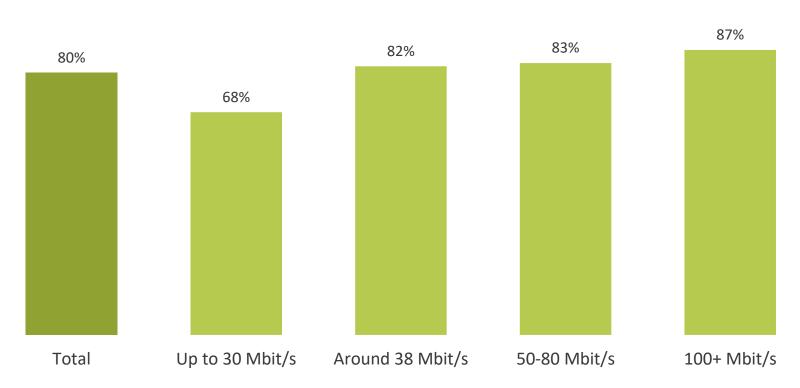
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Q8. In general, is the speed of your home broadband service sufficient for your household, i.e. are you able to do the activities you want to with it? Base: All respondents aware of their home broadband service provider (2743)

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







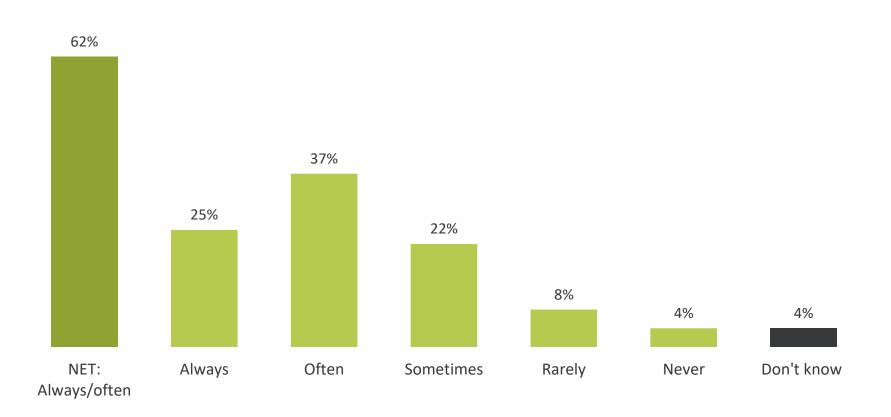
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Q8. In general, is the speed of your home broadband service sufficient for your household, i.e. are you able to do the activities you want to with it?

Base: All respondents aware of their home broadband service provider (2743), those on up to 30 Mbit/s (507), those on around 38 Mbit/s (511), those on 50-80 Mbit/s (500), those on 100+ Mbit/s (504)

# Satisfaction with home broadband speed while conducting activities simultaneously





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Q12. Please think about activities such as downloading, uploading, video calling and streaming TV/ videos that you may do at the same time as each other.

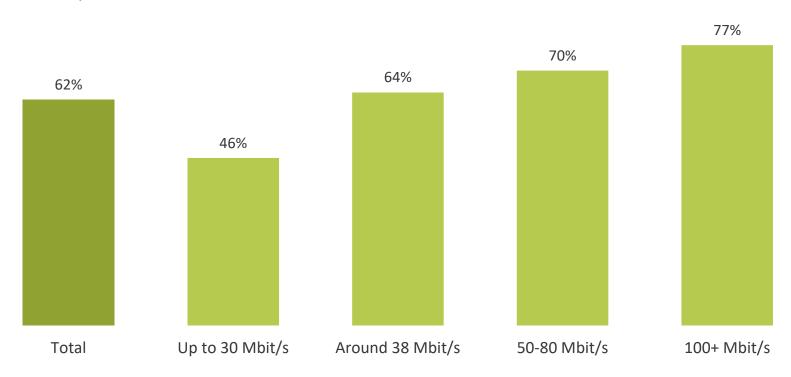
Are you satisfied with the speed of your home broadband service while conducting these activities simultaneously?

Base: All respondents who ever use their home broadband service for several tasks at the same time (2476)

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



#### NET Always/Often



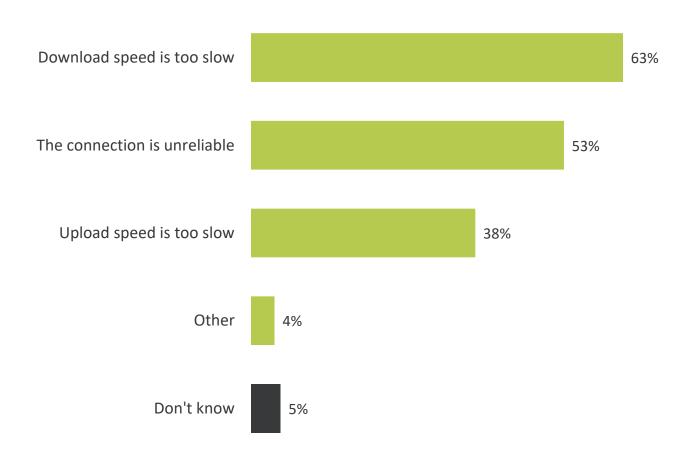
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Q12. Please think about activities such as downloading, uploading, video calling and streaming TV/ videos that you may do at the same time as each other.

Are you satisfied with the speed of your home broadband service while conducting these activities simultaneously?

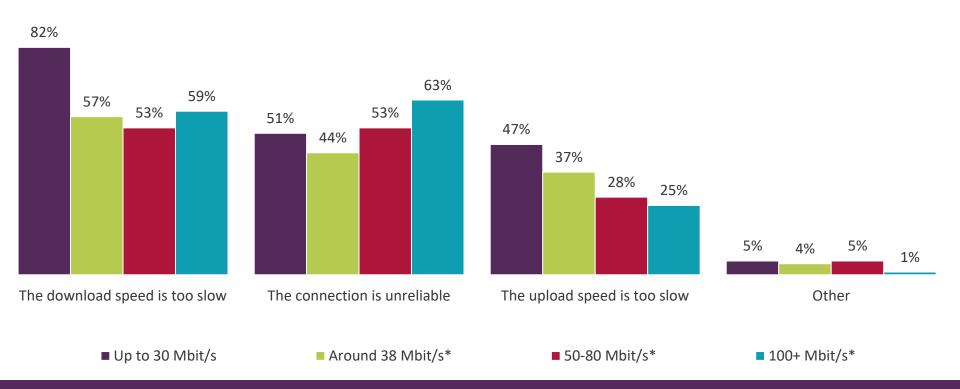
### Reasons why broadband speed is not always/often sufficient





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





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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

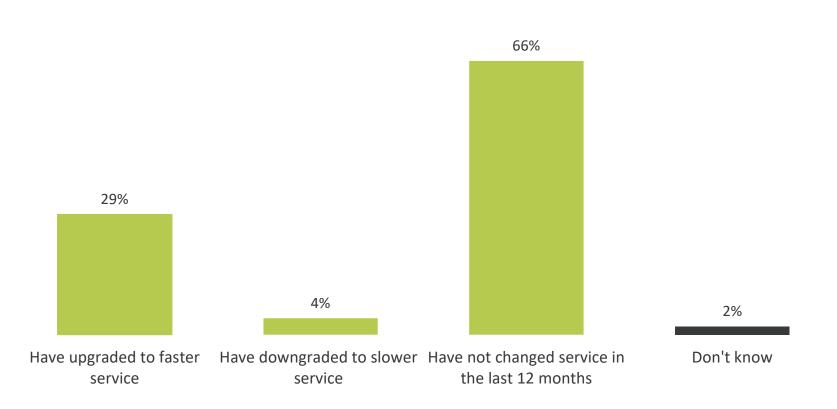
Q9. Why is your broadband speed not always sufficient for your household?



### Previous and future migrations

### Changes to speed of home broadband service over past 12 months





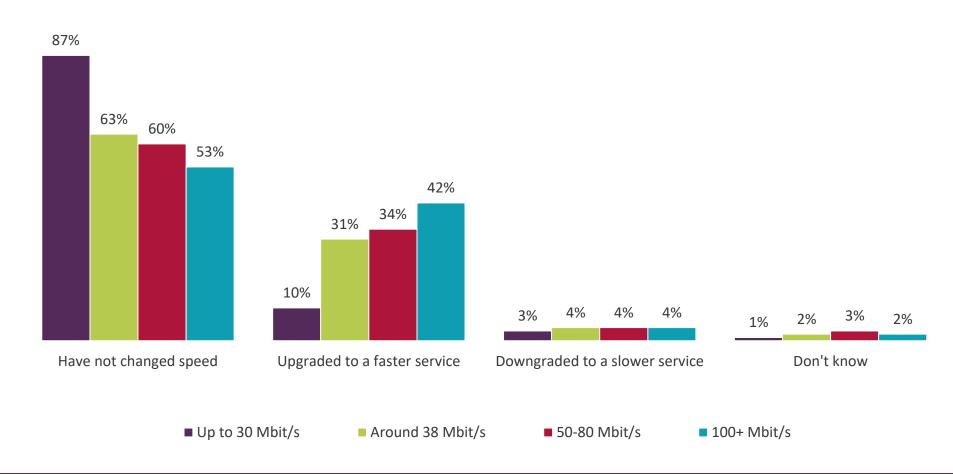
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Q13. Have you changed the speed of your home broadband service within the last 12 months? This could have been changing to a different speed service with your existing provider, or changing to a different speed service with a new provider.

Base: All respondents aware of their home broadband speed (2022)

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





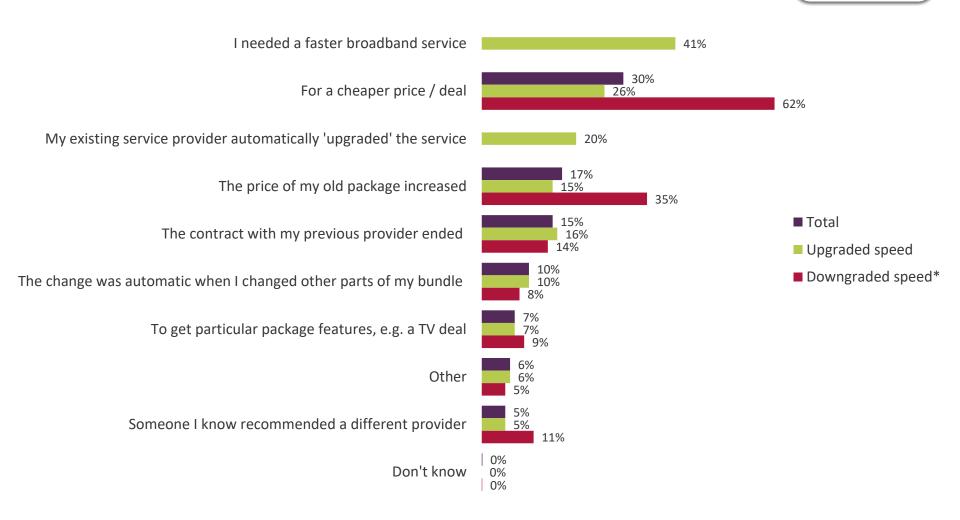
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Q13. Have you changed the speed of your home broadband service within the last 12 months?

Base: All respondents aware of speed of home broadband service (2022), those on up to 30 Mbit/s (507), those on around 38 Mbit/s (511), those on 50-80 Mbit/s (500), those on 100+ Mbit/s (504)

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





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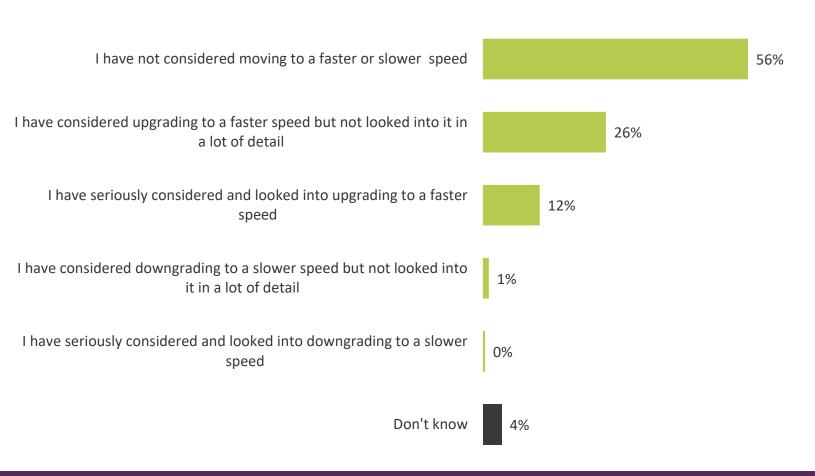
Q15. Why did you change the speed of your home broadband service?

Base: All respondents who changed the speed of their home broadband service (646), all respondents who upgraded their speed (570), all respondents who downgraded their speed (76\*)

\*Caution: low base size

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



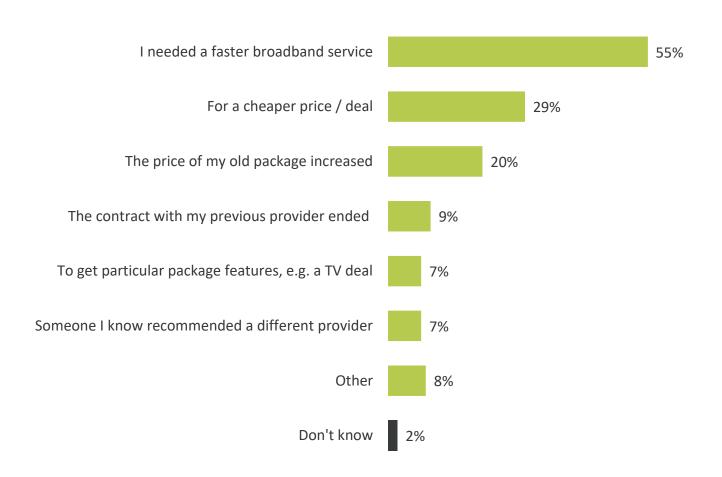


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Q14. Have you considered changing the speed of your home broadband service in the last 12 months? Base: All respondents who have not changed the speed of their home broadband service (1346)

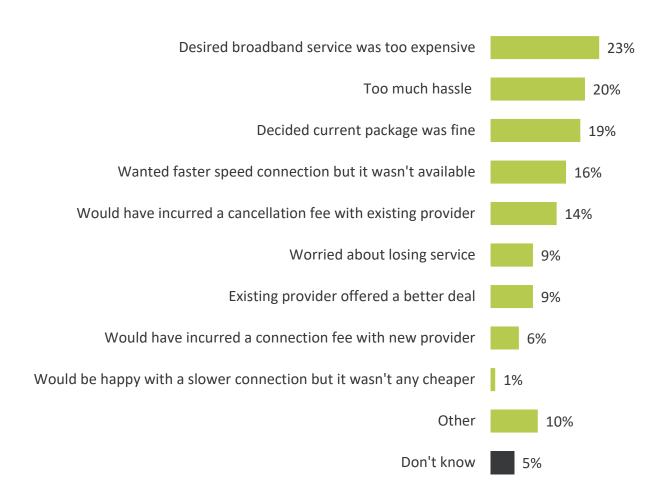
# Reasons for considering changing speed of home broadband service in the past 12 months





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





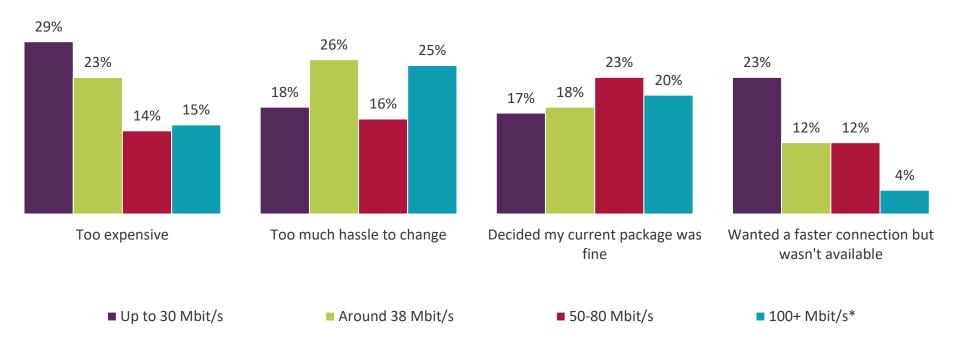
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Q16. And why did you not change the speed of your service?

Base: All respondents who did not change the speed of their home broadband service (539)

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





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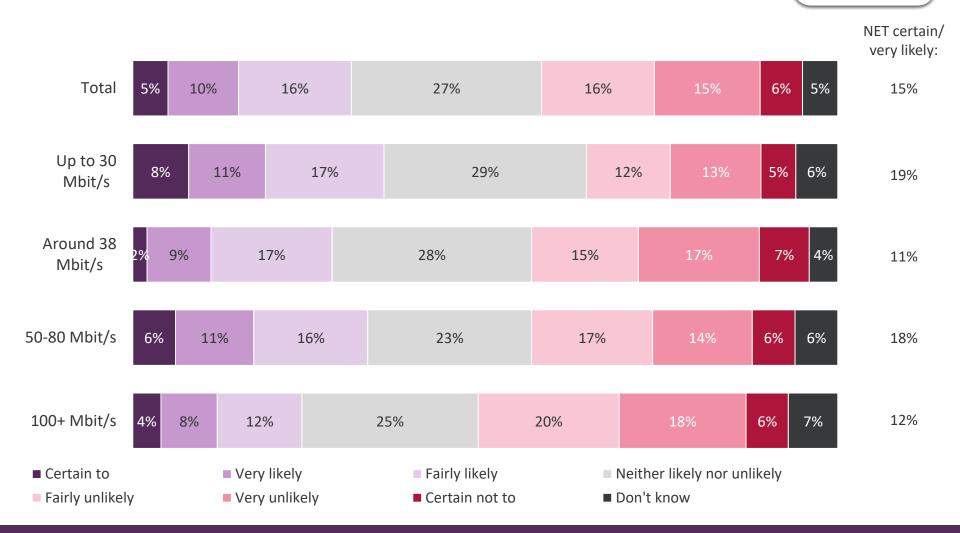
Q16. And why did you not change the speed of your service?

Base: All respondents who did not change the speed of their home broadband service with advertised speed of up to 30 Mbit/s (222), around 38 Mbit/s (128), 50-80 Mbit/s (114), 100+ Mbit/s (75\*)

\*Caution: low base size

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





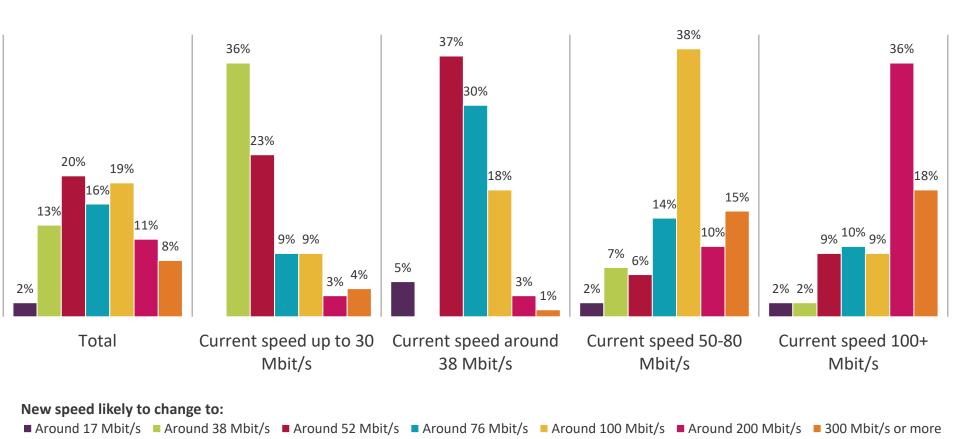
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Q17. How likely are you to change the speed of your home broadband service in the next 12 months?

Base: All respondents aware of speed of home broadband service (2022), those on up to 30 Mbit/s (507), those on around 38 Mbit/s (511), those on 50-80 Mbit/s (500), those on 100+ Mbit/s (504)

# Likely new broadband speed among those <u>certain</u>, <u>very likely</u> or <u>fairly likely</u> to switch



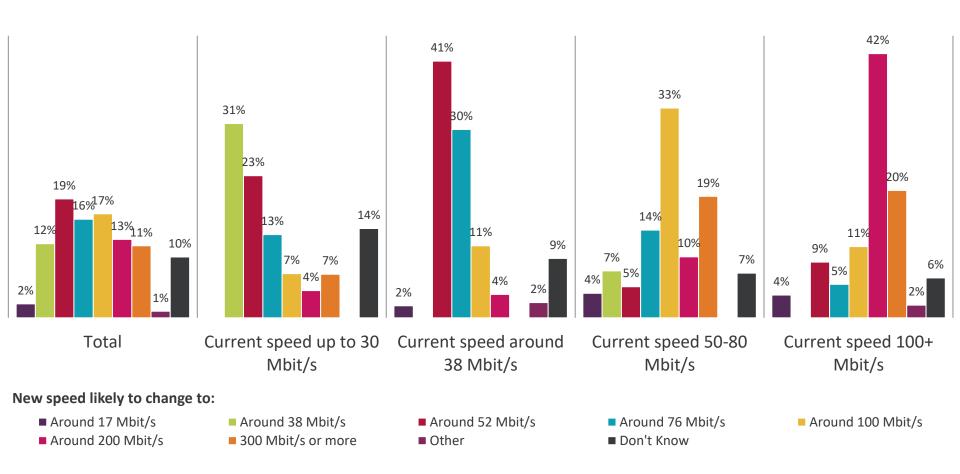


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Q18. And what broadband speed would you be likely to change to?

## Likely new broadband speed among those <u>certain</u> or <u>very likely</u> to switch





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Q18. And what broadband speed would you be likely to change to?

Base: All respondents certain or very likely to change the speed of their home broadband service (297), those on up to 30 Mbit/s (96) those on 50-80 Mbit/s (56), those on 50-80 Mbit/s (83) those on 100+ Mbit/s (62)



Responses to increase in price of current broadband services

#### Background

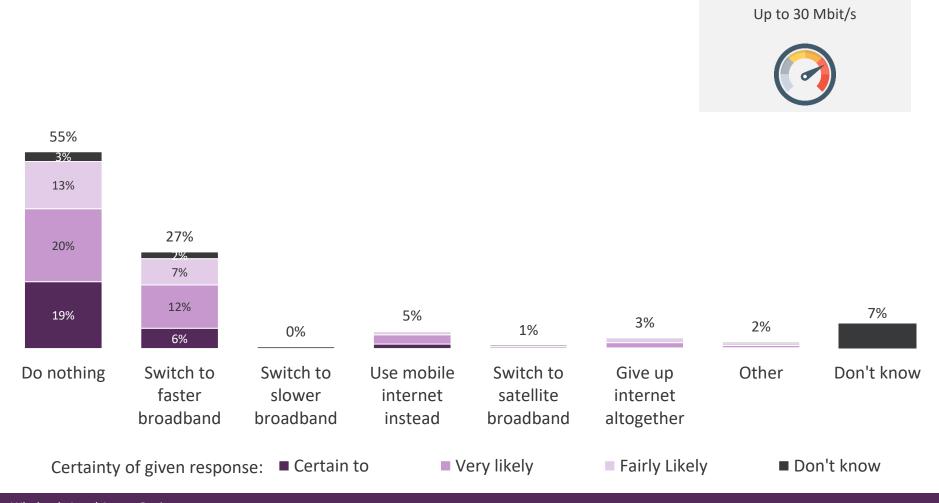


- We asked respondents to imagine that all home broadband providers charge the same monthly amount for their current broadband speed
- We then asked respondents about their responses to different price increases for broadband services
- We also split each sub-group into two samples, A and B, and asked 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

#### Response to a price increase of £1 per month





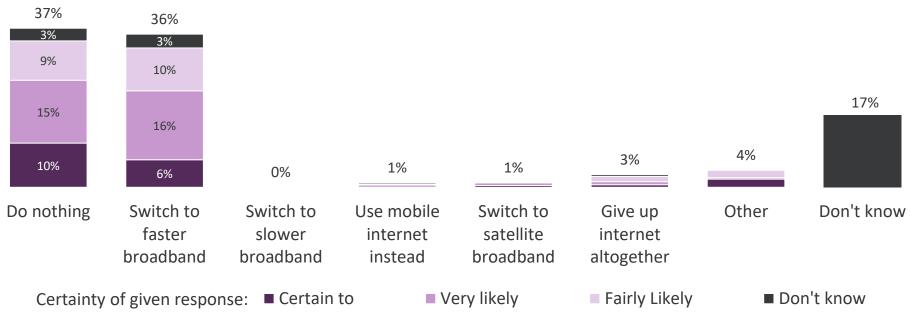
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Q19. For the next section, we would like you to imagine that all home broadband providers charge the same monthly amount for your current broadband speed. Now imagine that all providers raised that price by [£1/£2.50] per month for the same broadband 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?

#### Response to a price increase of £2.50 per month





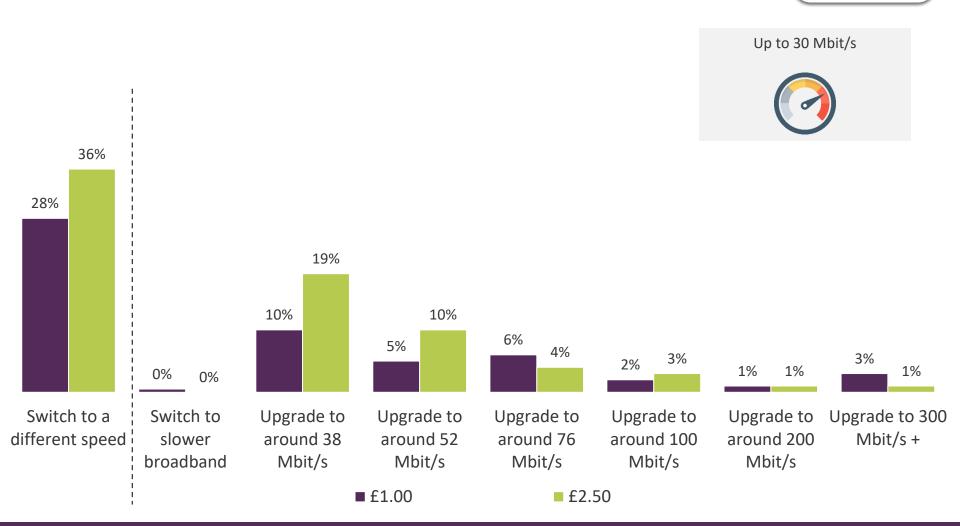


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Q19. For the next section, we would like you to imagine that all home broadband providers charge the same monthly amount for your current broadband speed. Now imagine that all providers raised that price by [£1/£2.50] per month for the same broadband 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?

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





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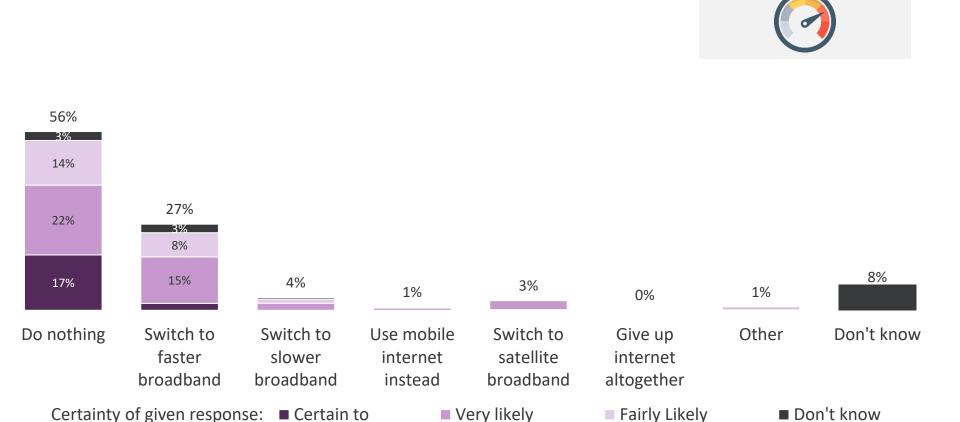
Q21. And what speed service would you be most likely to move to?

Base: All sample A up to 30 Mbit/s users aware of home broadband service (257) / All sample B up to 30 Mbit/s users aware of home broadband service (250)

## Response to a price increase of £1.50 per month



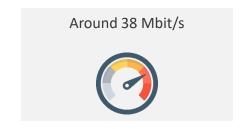
Around 38 Mbit/s

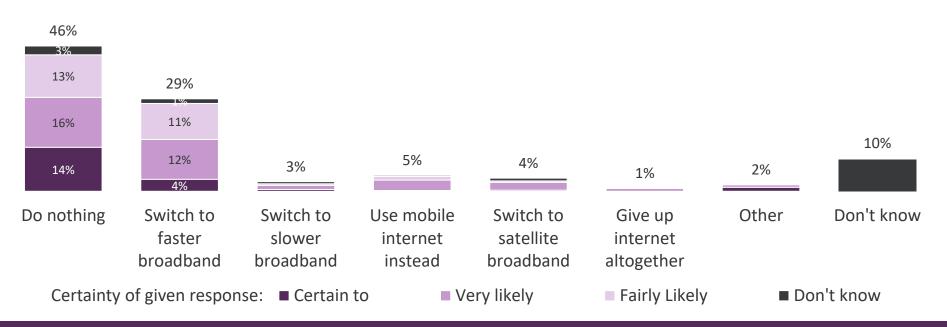


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## Response to a price increase of £3.00 per month



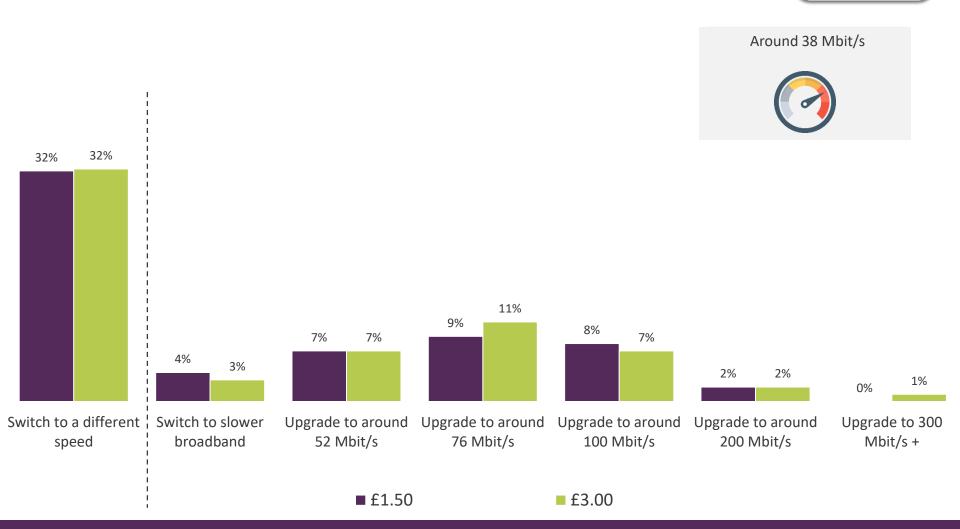




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## Speed most likely to move to in event of £1.50/£3.00 price increase





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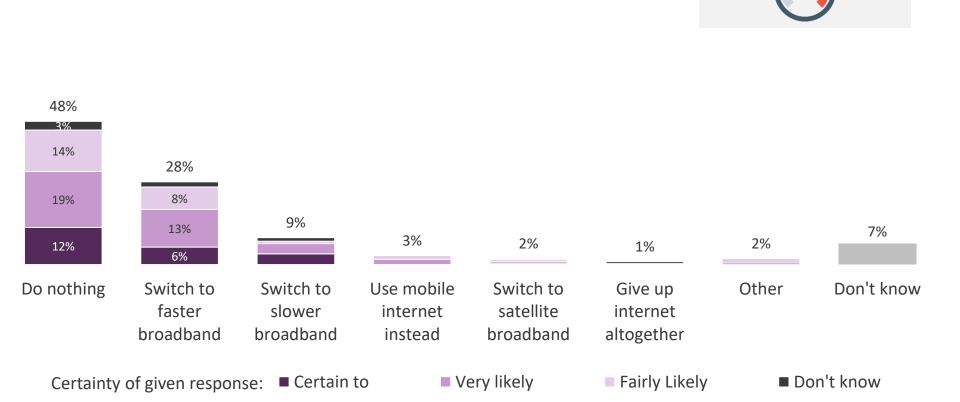
Q21. And what speed service would you be most likely to move to?

Base: All sample A around 38 Mbit/s users aware of home broadband service (248) / All sample B around 38 Mbit/s users aware of home broadband service (263).

## Response to a price increase of £2.50 per month



50-80 Mbit/s

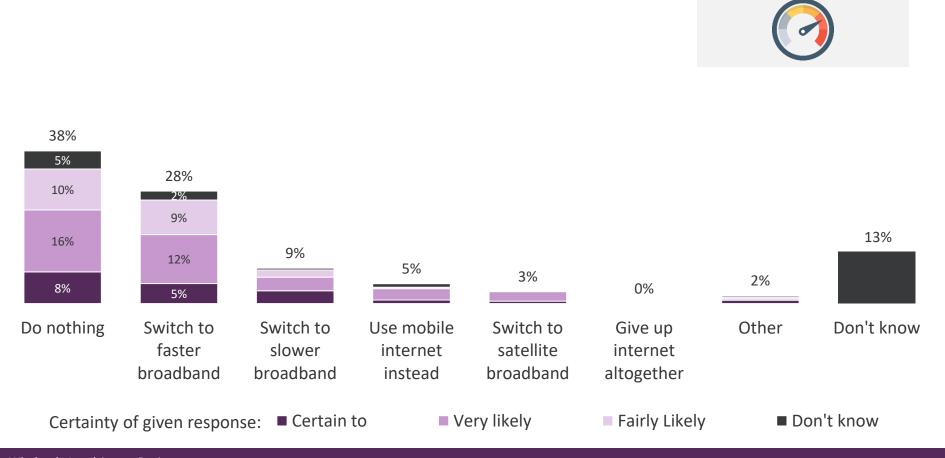


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## Response to a price increase of £4.00 per month



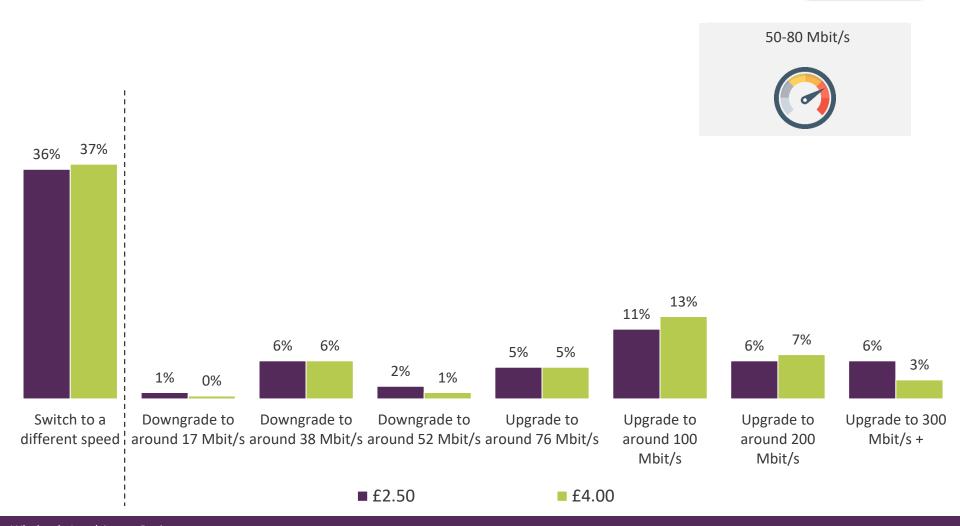
50-80 Mbit/s



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





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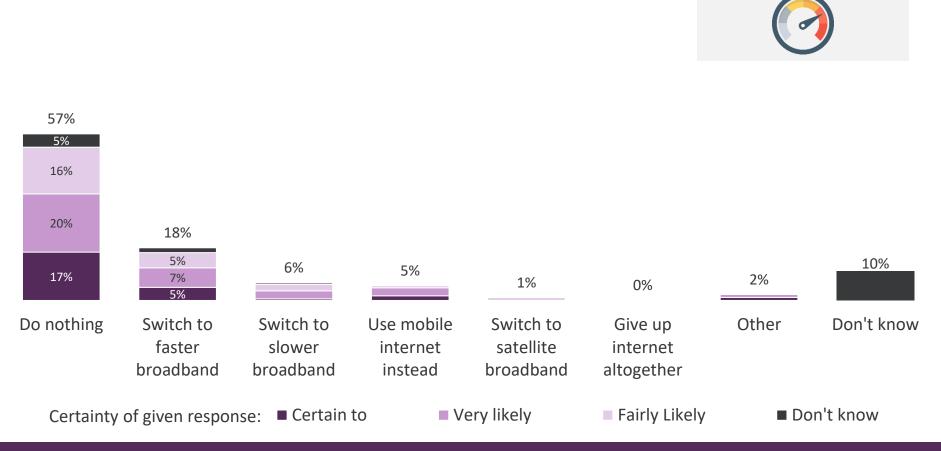
Q21. And what speed service would you be most likely to move to?

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

#### Response to a price increase of £2.50 per month



100+ Mbit/s

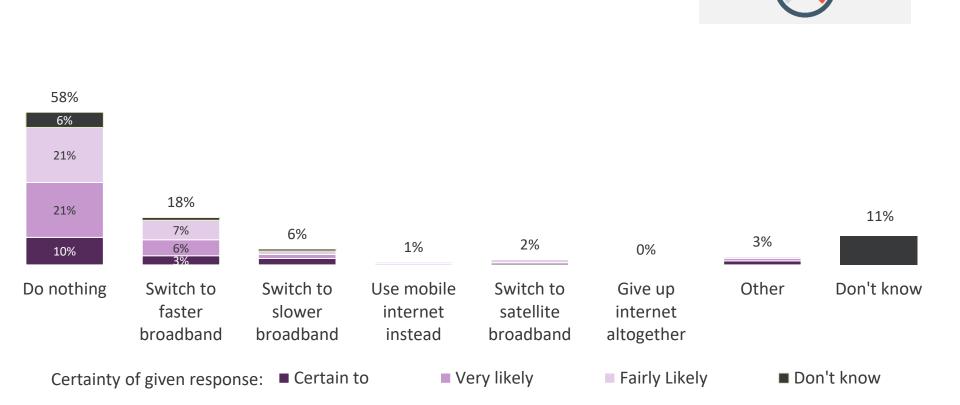


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#### Response to a price increase of £4.00 per month



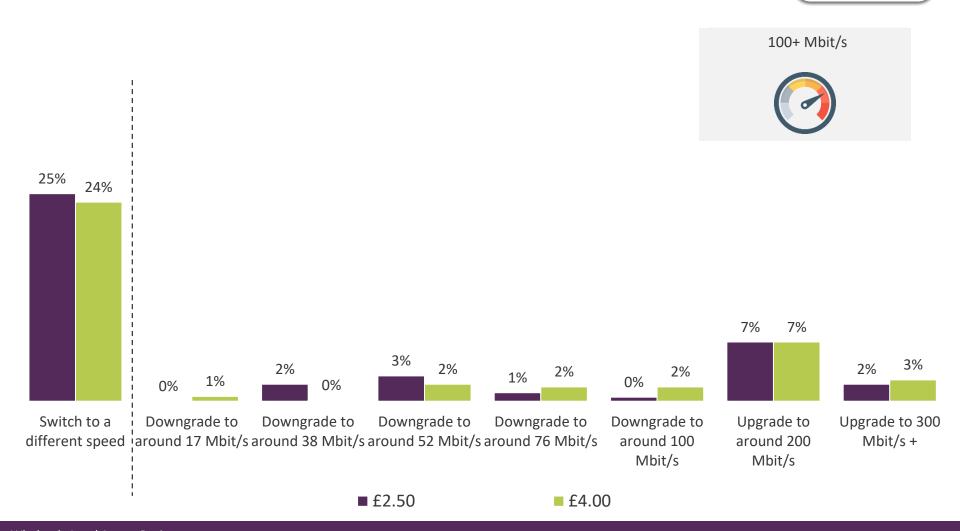
100+ Mbit/s



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





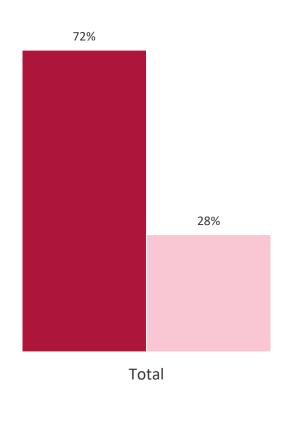
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Q21. And what speed service would you be most likely to move to?

Base: All sample A 100+ Mbit/s users aware of home broadband speed (251) / All sample B 100+ Mbit/s users aware of home broadband speed (253). Note: right hand side of chart excludes those who said they didn't know to what speed they would upgrade/downgrade

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





■ Yes - it would make me move sooner

■ No - I woud move when I had originally intended

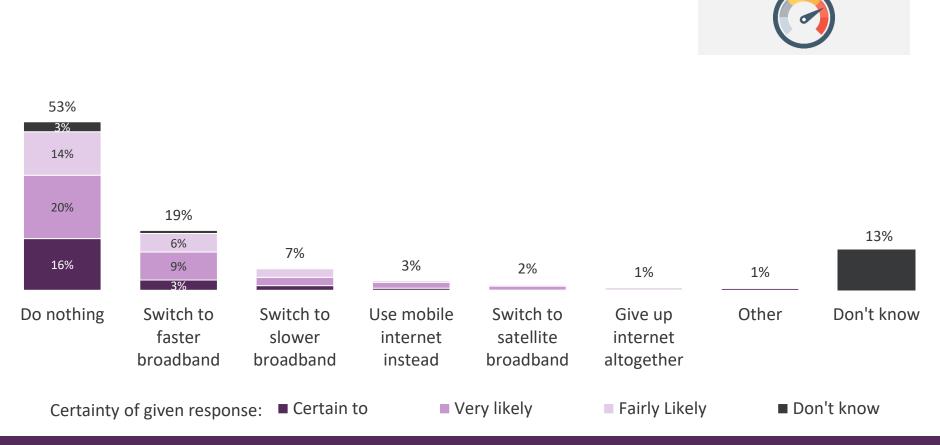


Responses to increase in price of all superfast broadband services

## Response to a price increase of £1.50/£2.50 per month



38+ Mbit/s



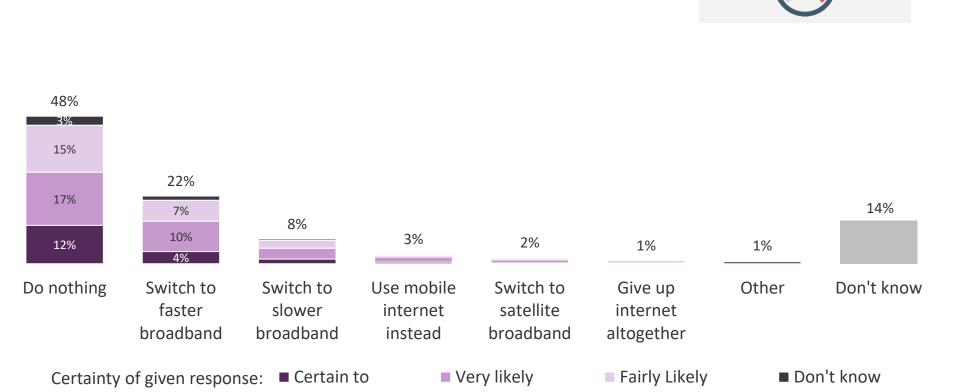
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Q26. Now we'd like you to imagine that the price offered by providers for all superfast broadband services increased by [£1.50/£2.50] per month. These are broadband services with an advertised download speed of 30 Mbit/s or more. As before, the prices offered by all providers for standard broadband services (i.e. less than 30 Mbit/s) would remain the same. What would you do in this instance?

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



38+ Mbit/s

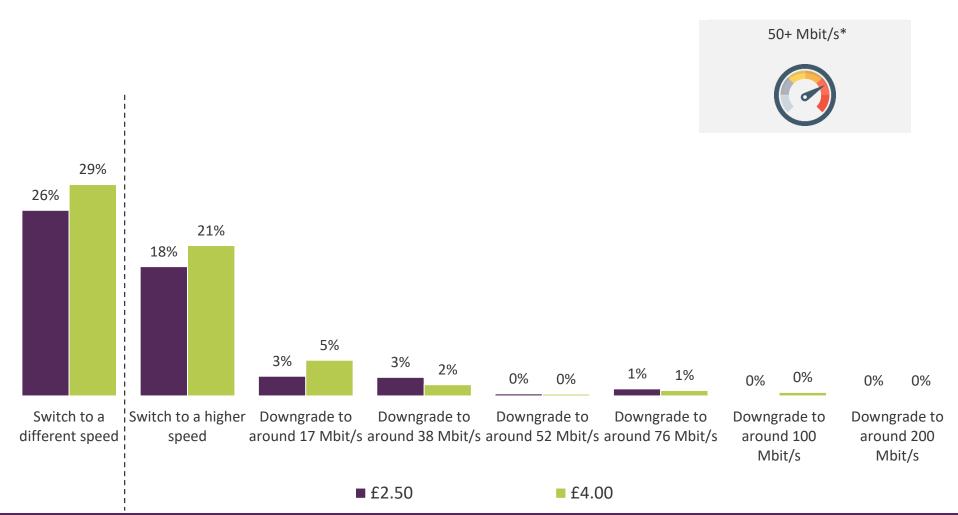


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Q26. Now we'd like you to imagine that the price offered by providers for all superfast broadband services increased by [£3/£4] per month. These are broadband services with an advertised download speed of 30 Mbit/s or more. As before, the prices offered by all providers for standard broadband services (i.e. less than 30 Mbit/s) would remain the same. What would you do in this instance?

## 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) (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.

<sup>\*</sup>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.

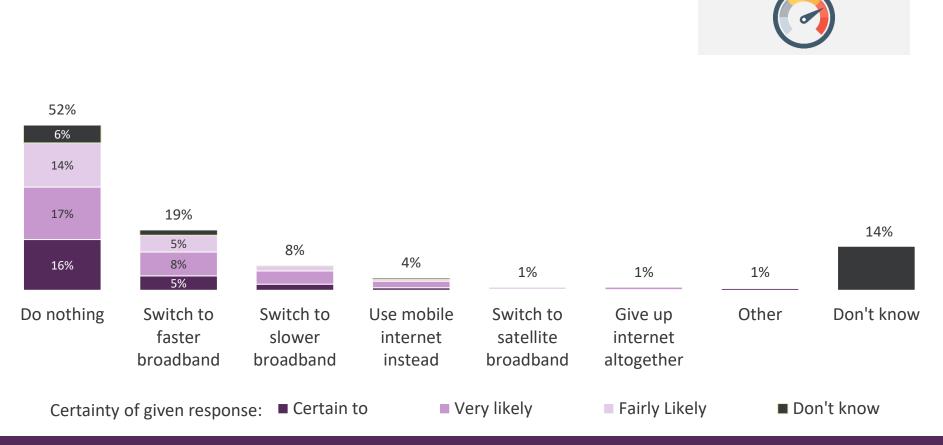


Responses to increase in price of all broadband services faster than 38 Mbit/s

## Response to a price increase of £2.50 per month



50+ Mbit/s



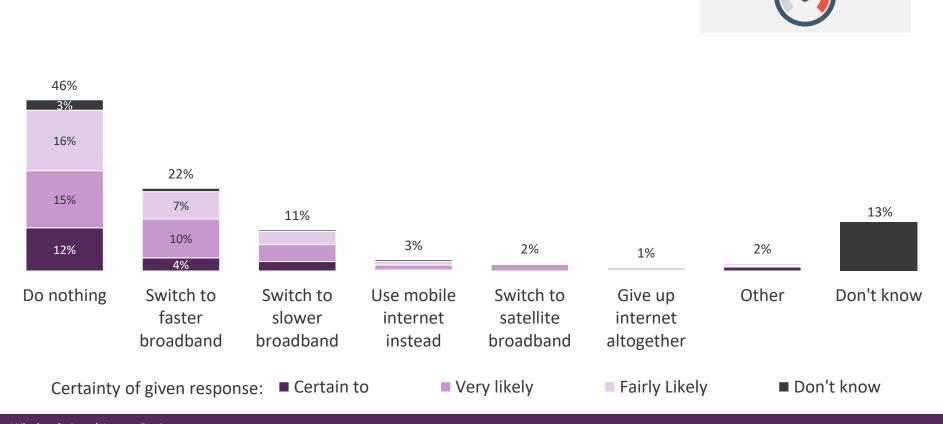
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Q23. Now we'd like you to imagine that the price offered by all providers for all broadband speeds faster than 38 Mbit/s increased by £2.50 per month – not just the price of the speed you are currently on. As before the prices offered by all providers for a 38 Mbit/s broadband service, and all slower services, would remain the same. What would you do in this instance?

## Response to a price increase of £4 per month



50+ Mbit/s

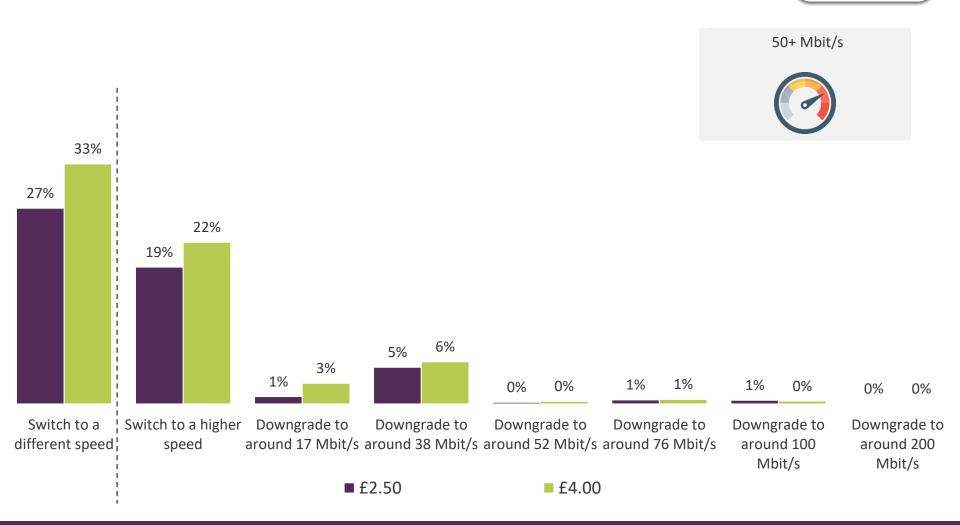


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Q23. Now we'd like you to imagine that the price offered by all providers for all broadband speeds faster than 38 Mbit/s increased by £4 per month – not just the price of the speed you are currently on. As before the prices offered by all providers for a 38 Mbit/s broadband service, and all slower services, would remain the same. What would you do in this instance?

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





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Q25. 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 of chart excludes those who said they didn't know to what speed they would upgrade/downgrade