

ICMR 2012 price benchmarking slides

November 2012

Figure 2.1



Summary of households and baskets used in the analysis

	'Typical household type'	Fixed voice	Mobile voice	Mobile messaging	Fixed line broadband	Mobile broadband	Television
1	A low use household with basic needs	Low	Low	n/a	n/a	n/a	Basic
2	A broadband household with basic needs	Medium	Low	Low	Low	n/a	Basic
3	A mobile 'power user'	n/a	High	High	n/a	High	Pay-TV
4	A family household with multiple needs	High	Medium	High	Medium	n/a	Pay-TV with recorder
5	An affluent two person household	Low	High	Medium	High use superfast	Medium	HD premium pay-TV with recorder

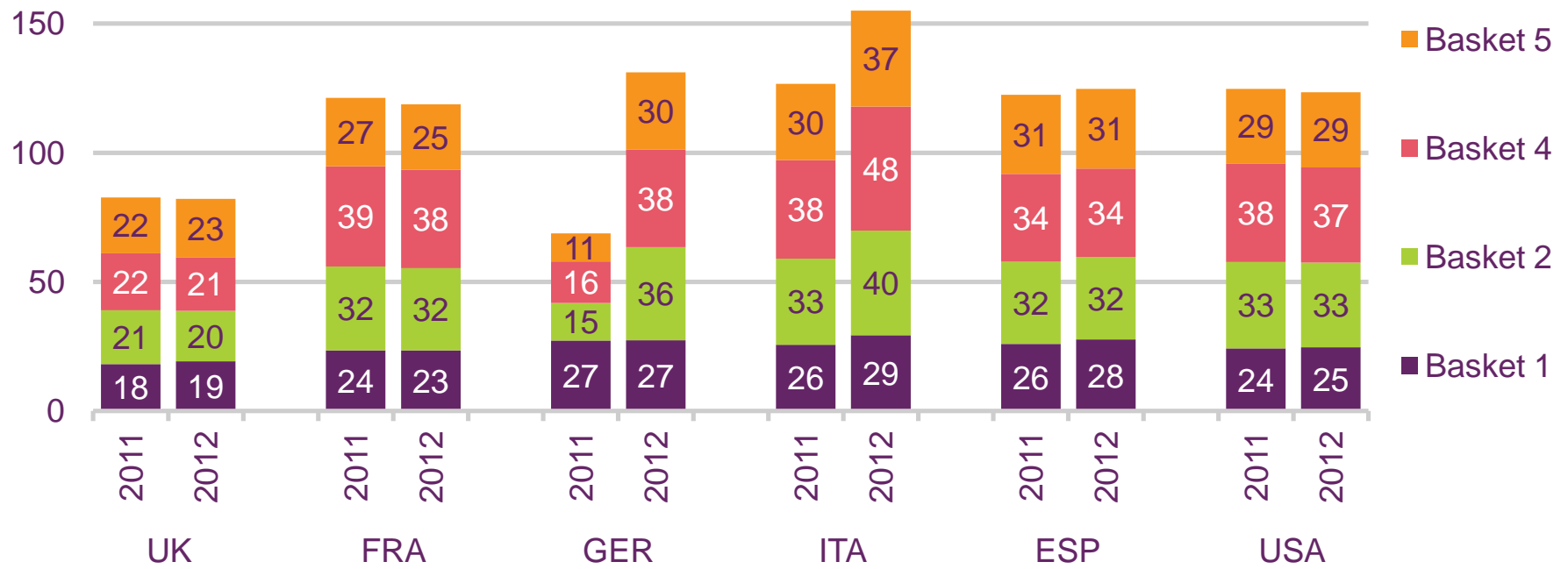
Source: Ofcom

Figure 2.2



Comparative single service 'weighted average' fixed-line voice pricing

Monthly cost (£)



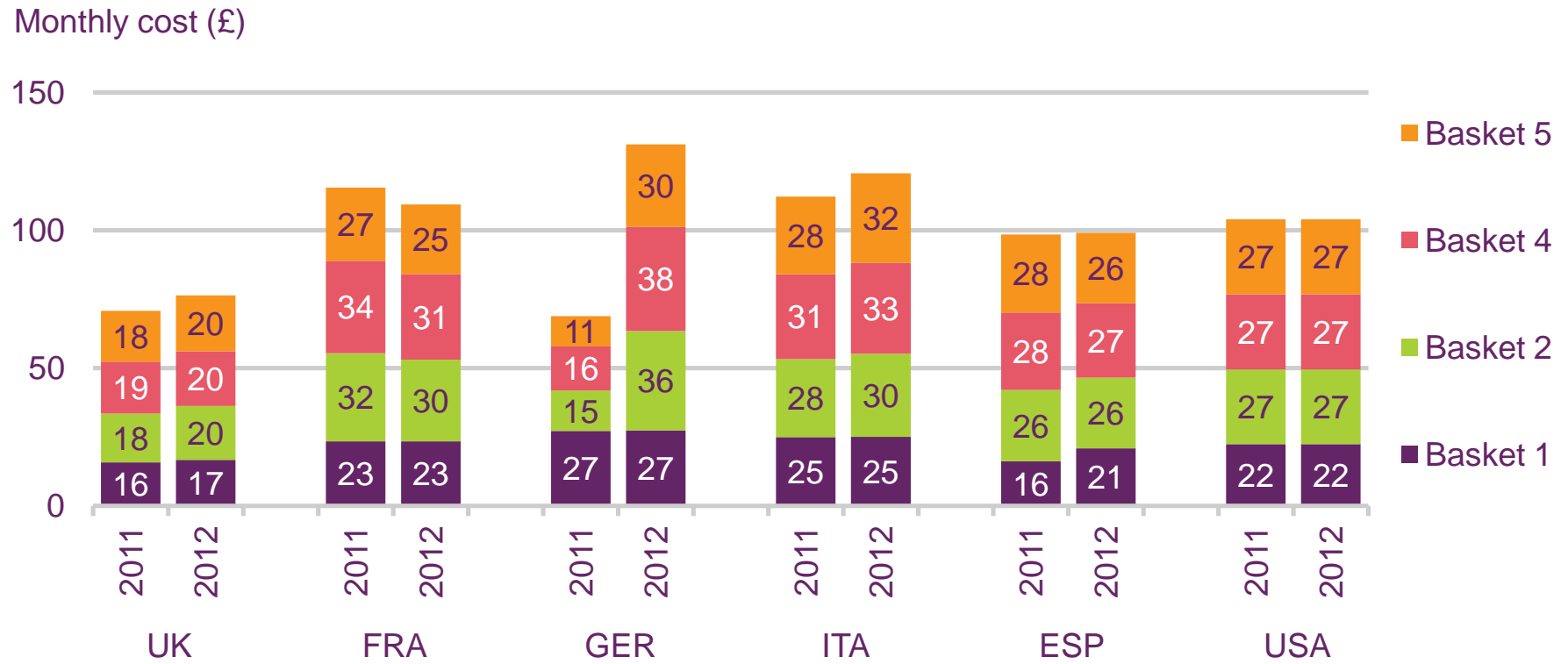
Source: Ofcom, using data supplied by Teligen

Note: Weighted average of best-value tariff from each of the three largest operators by market share in each country; July 2011 and July 2012; PPP adjusted

Figure 2.3



Comparative single service 'best offer' fixed-line voice pricing



Source: Ofcom, using data supplied by Teligen

Note: Lowest tariff available for the fixed-line voice component of each basket from any of the three largest operators by market share in each country, July 2011 and July 2012; PPP adjusted.

Figure 2.4



Summary of mobile connections used in the analysis

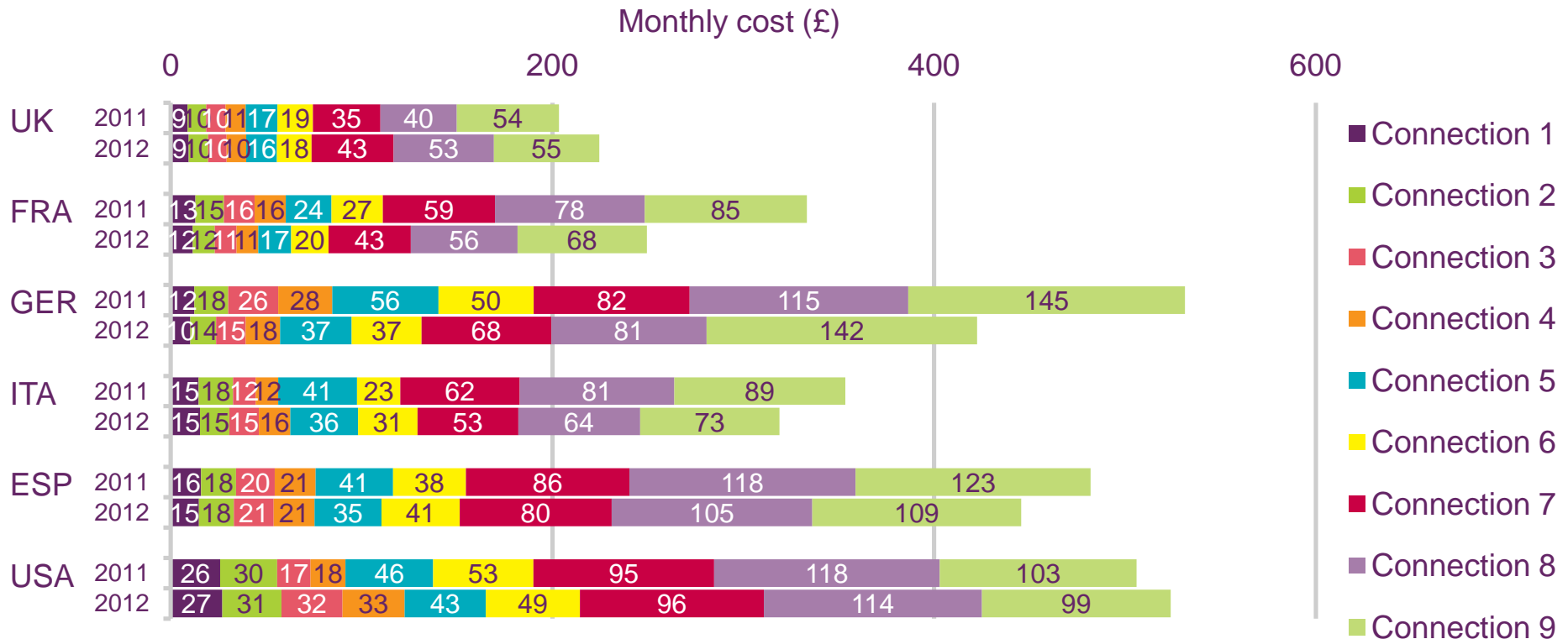
	Basket	Handset type	Outbound voice minutes per month	Outbound SMS per month	Data use per month
Connection 1	Household 1 handsets 1 & 2	Basic	55	n/a	n/a
Connection 2	Household 2 handsets 1 & 2	Basic	55	30	n/a
Connection 3	Household 4 handset 4	Basic	55	65	n/a
Connection 4	Household 4 handset 3	Basic	55	70	n/a
Connection 5	Household 4 handset 2	Intermediate	169	160	n/a
Connection 6	Household 5 handset 2	Intermediate	188	20	100MB
Connection 7	Household 4 handset 1	Advanced	280	30	300MB
Connection 8	Household 5 handset 1	Advanced	376	80	300MB
Connection 9	Household 3 handset 1	Advanced	516	150	1GB

Source: Ofcom

Figure 2.5



Comparative single service 'weighted average' mobile pricing



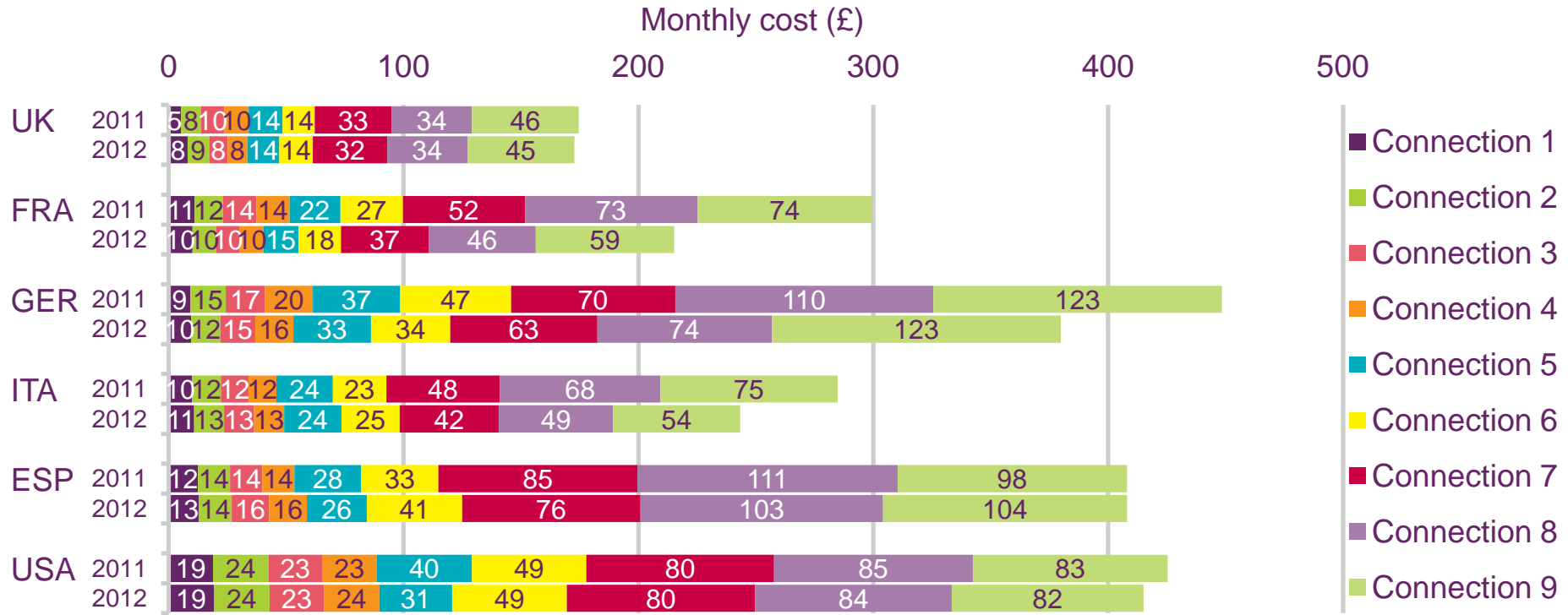
Source: Ofcom, using data supplied by Teligen

Note: Weighted average of best-value tariff from each of the three largest operators by market share in each country; July 2011 and July 2012; PPP adjusted

Figure 2.6



Comparative single service 'best offer' mobile pricing



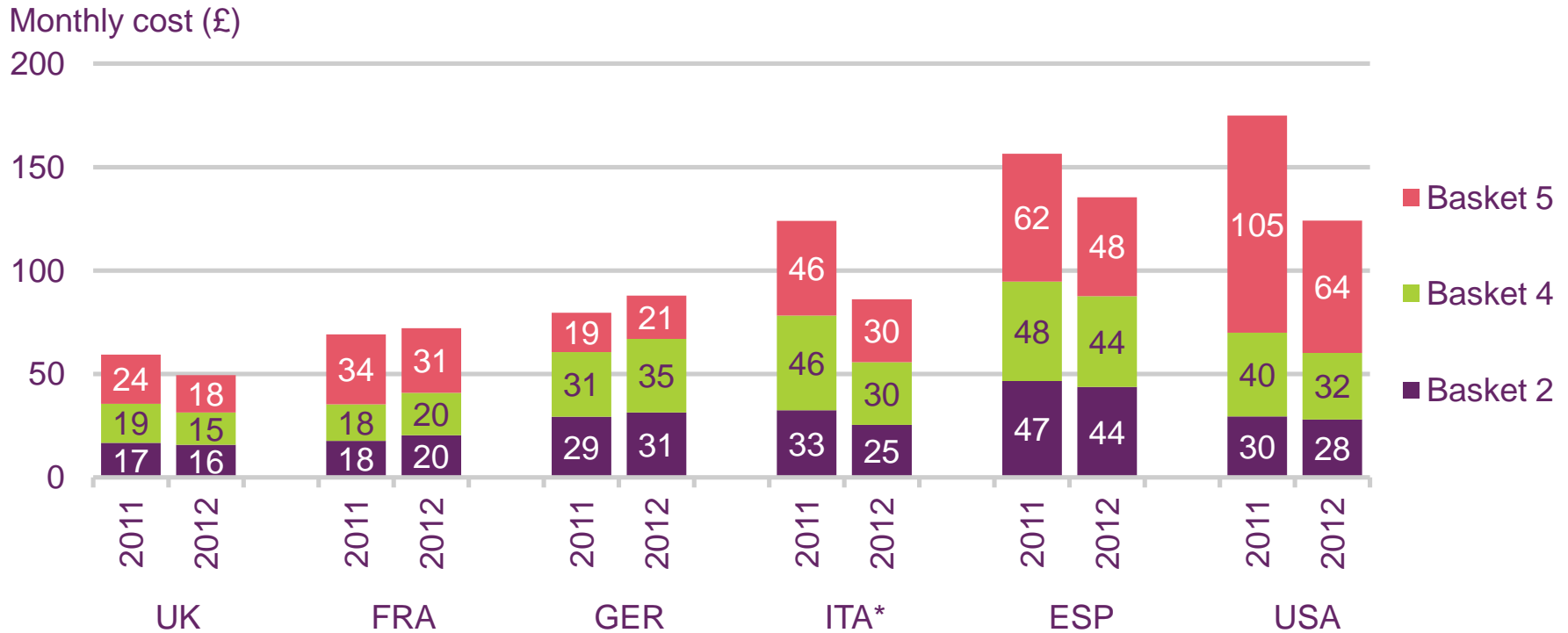
Source: Ofcom, using data supplied by Teligen

Note: Lowest tariff available for the mobile phone component of each basket from any of the three largest operators by market share in each country, July 2011 and July 2012; PPP adjusted.

Figure 2.7



Comparative single service 'weighted average' fixed-line broadband pricing



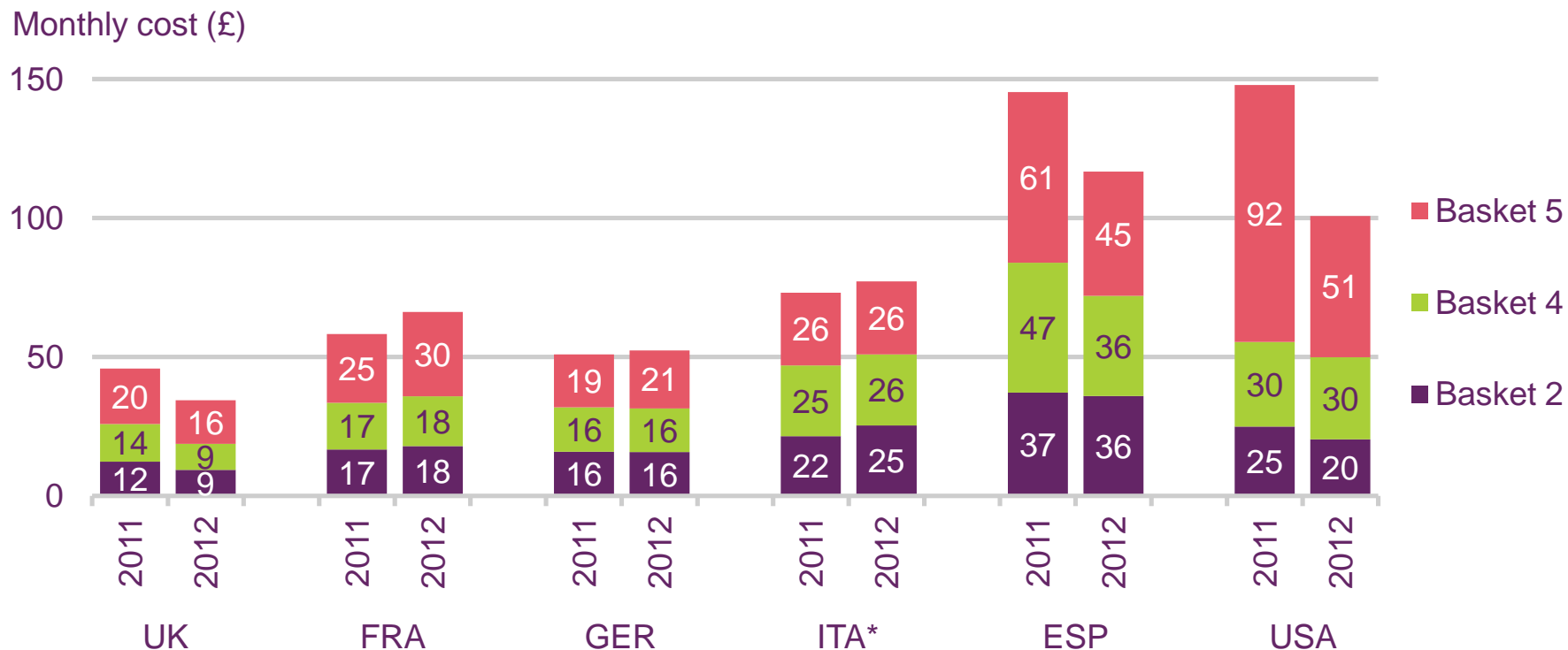
Source: Ofcom, using data supplied by Teligen

Note: Weighted average of best-value tariff from each of the three largest operators by market share in each country; July 2011 and July 2012; PPP adjusted; *Basket 5 figures for Italy include 'up to' 20Mbit/s services as none of the providers included in our model offered superfast services.

Figure 2.8



Comparative single service 'best offer' fixed-line broadband pricing



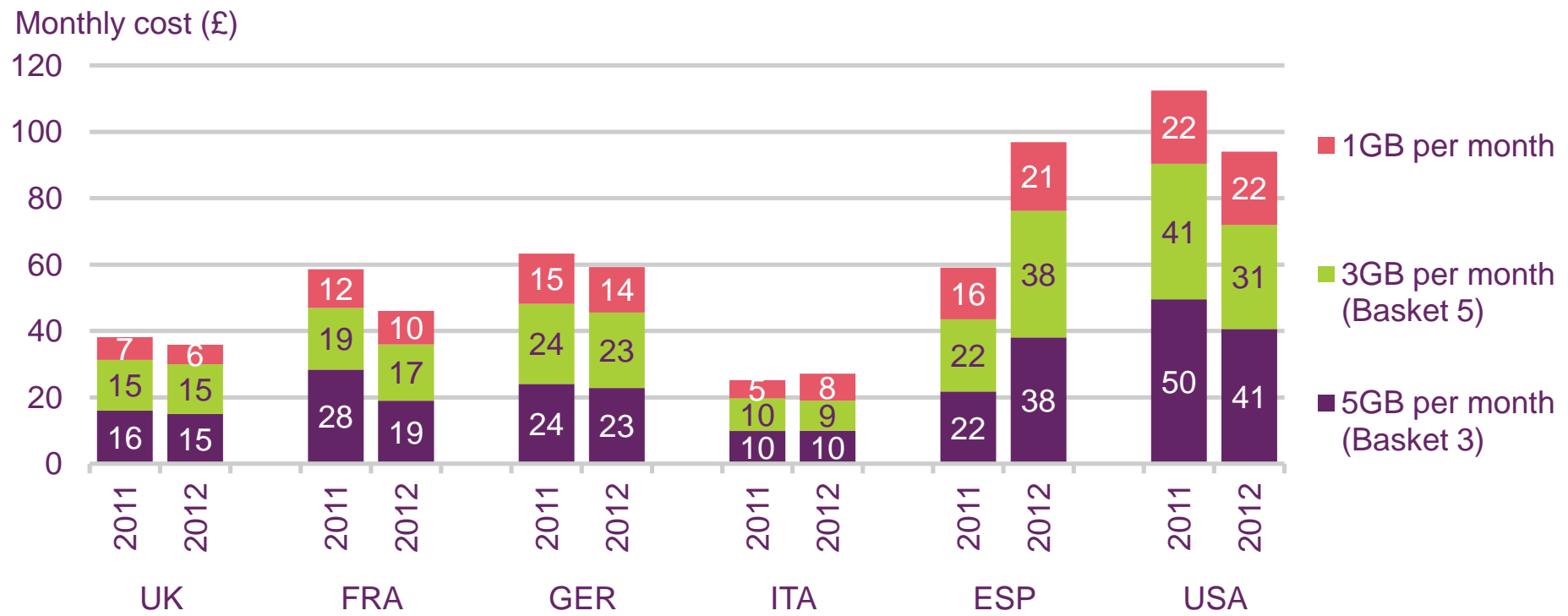
Source: Ofcom, using data supplied by Teligen

Note: Lowest tariff available for the mobile phone component of each basket from any of the three largest operators by market share in each country, July 2011 and July 2012; PPP adjusted; *Basket 5 figures for Italy include 'up to' 20Mbit/s services as none of the providers included in our model offered superfast services.

Figure 2.9



Comparative single service 'best offer' mobile broadband pricing



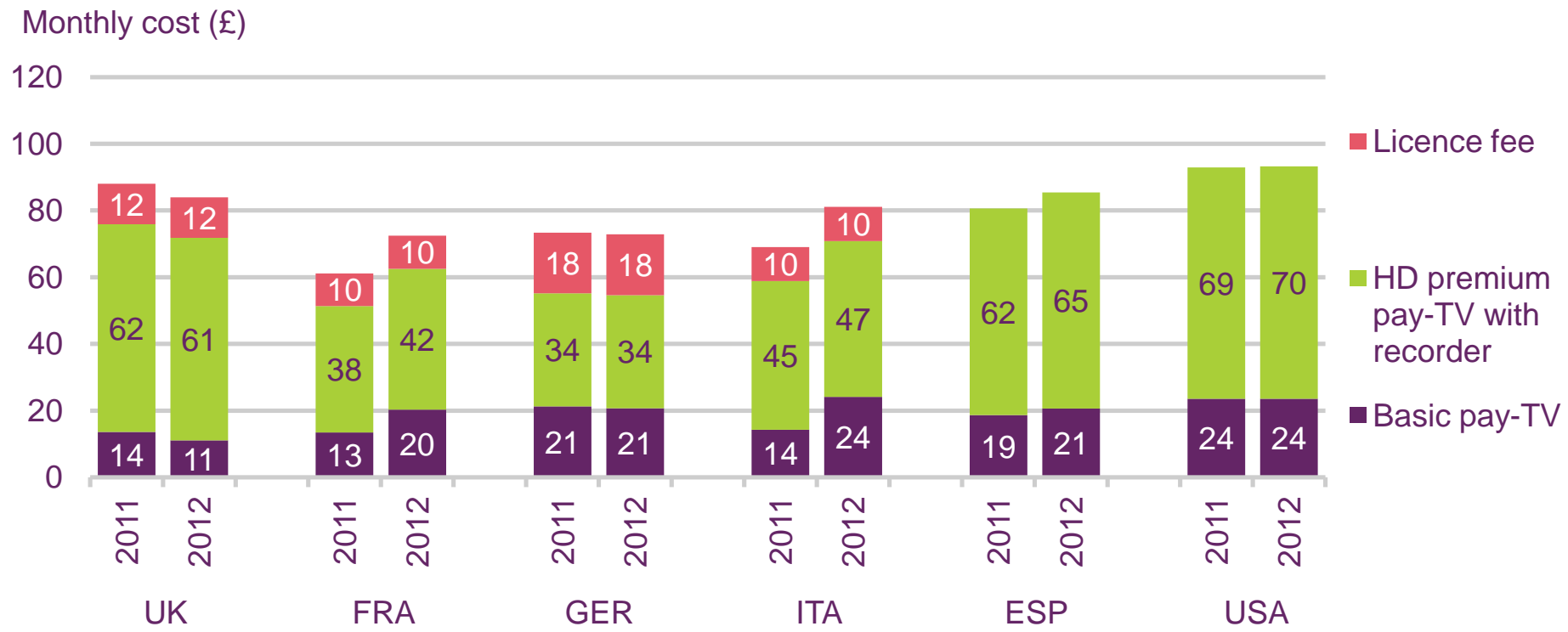
Source: Ofcom, using data supplied by Teligen

Note: Weighted average of best-value tariff from each of the three largest operators by market share in each country, July 2011 and July 2012; PPP adjusted

Figure 2.10



Comparative single service TV pricing



Source: Ofcom, using data supplied by Teligen

Note: Basic pay-TV is defined as the minimum price required to purchase a pay-TV packages which includes channels not available over free-to-air TV; Premium TV is defined as the best package of top-league football (NFL in the US and first run films from major Hollywood studios); lowest tariff available for the pay-TV component of each basket from any of the three largest operators by market share in each country, July 2011 and July 2012; PPP adjusted.

Figure 2.11

Composition of Basket 1

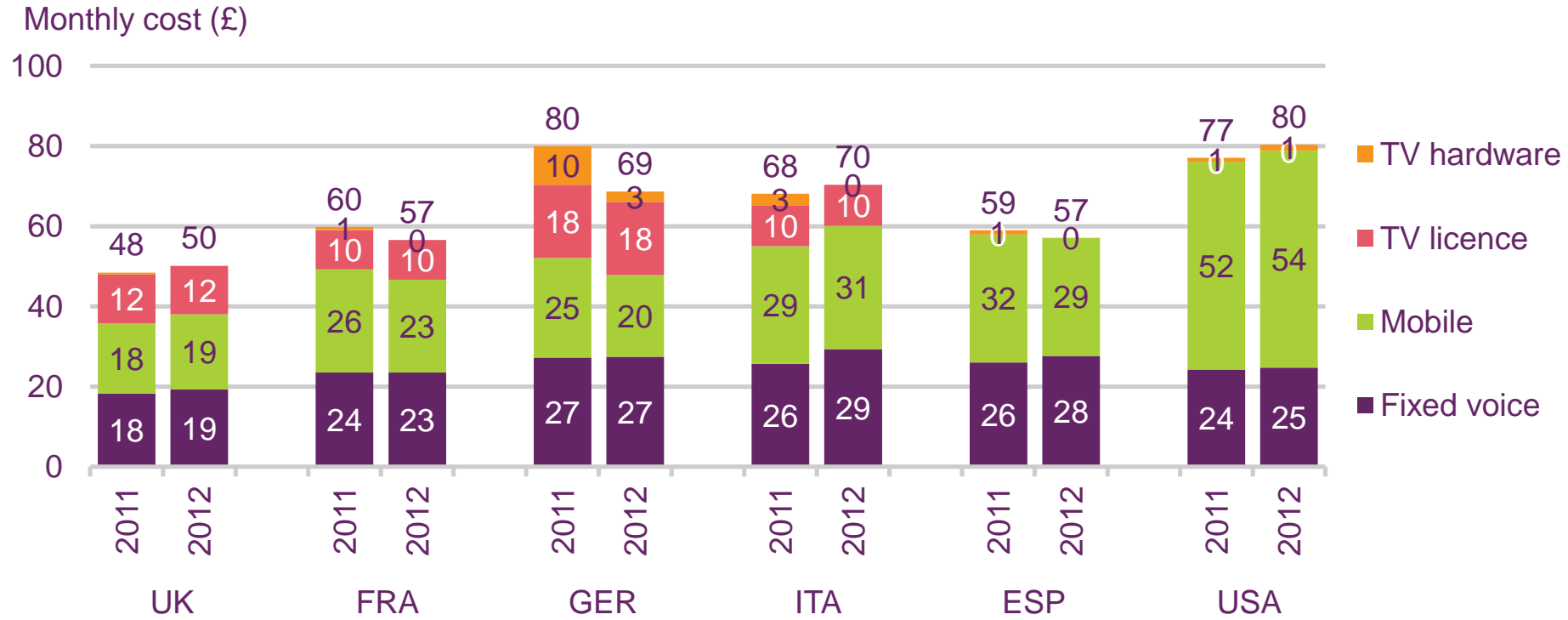
Fixed-line voice	Fixed broadband	Mobile	Mobile broadband	Television
223 call minutes	n/a	Connection 1 55 call minutes Connection 2 55 call minutes	n/a	Free-to-air

Source: Ofcom

Figure 2.12



Basket 1: 'weighted average' single-service pricing

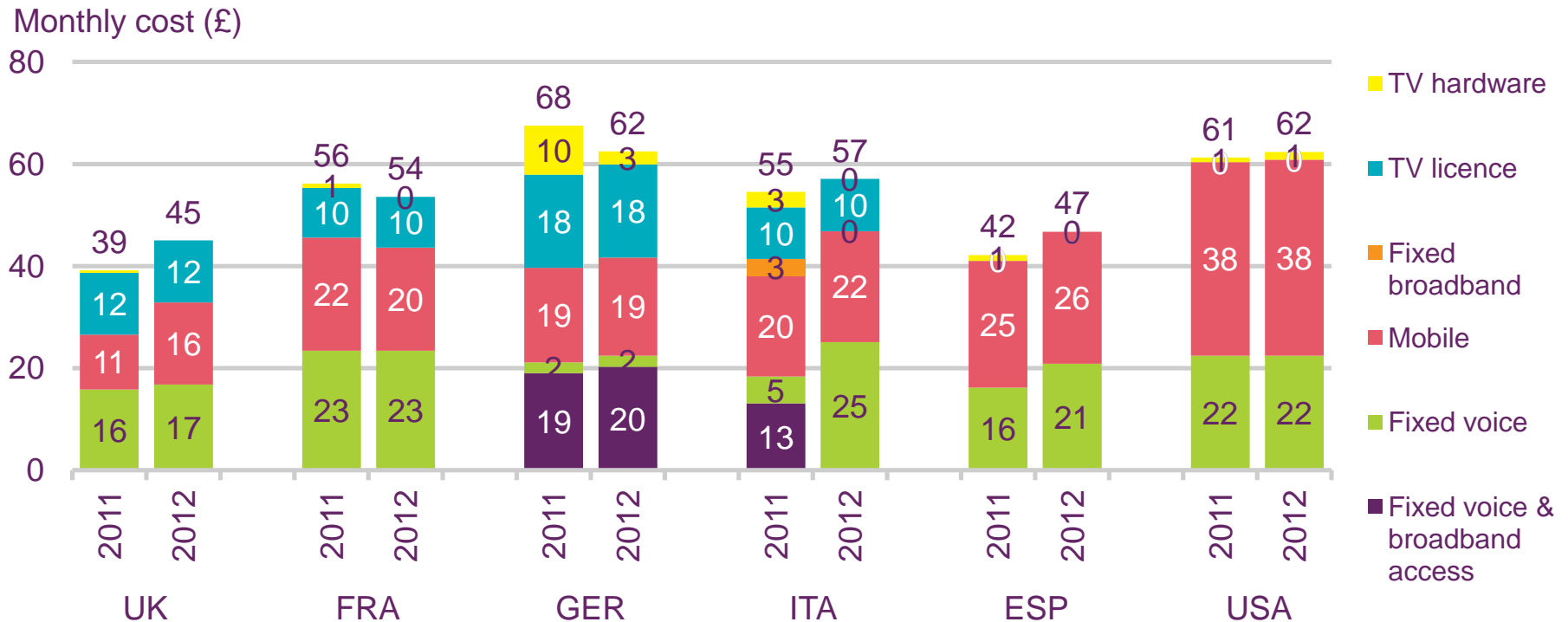


Ofcom using data supplied by Teligen

Note: Weighted average of best-value tariff from each of the three largest operators by market share in each country; July 2011 and July 2012; PPP adjusted

Figure 2.13

Basket 1: comparative 'best offer' pricing



Source: Ofcom using data supplied by Teligen

Note: Lowest tariff available for each service type from any of the largest operators by market share in each country, July 2011 and July 2012; PPP adjusted; where a service is included in a bundle any additional usage charges are recorded separately against the relevant service

Figure 2.14

Composition of Basket 2

Fixed-line voice	Fixed broadband	Mobile	Mobile broadband	Television
428 call minutes	5GB per month, minimum 4Mbit/s connection	Connection 1 55 call minutes 30 SMS Connection 2 55 call minutes 30 SMS	n/a	Free-to-air

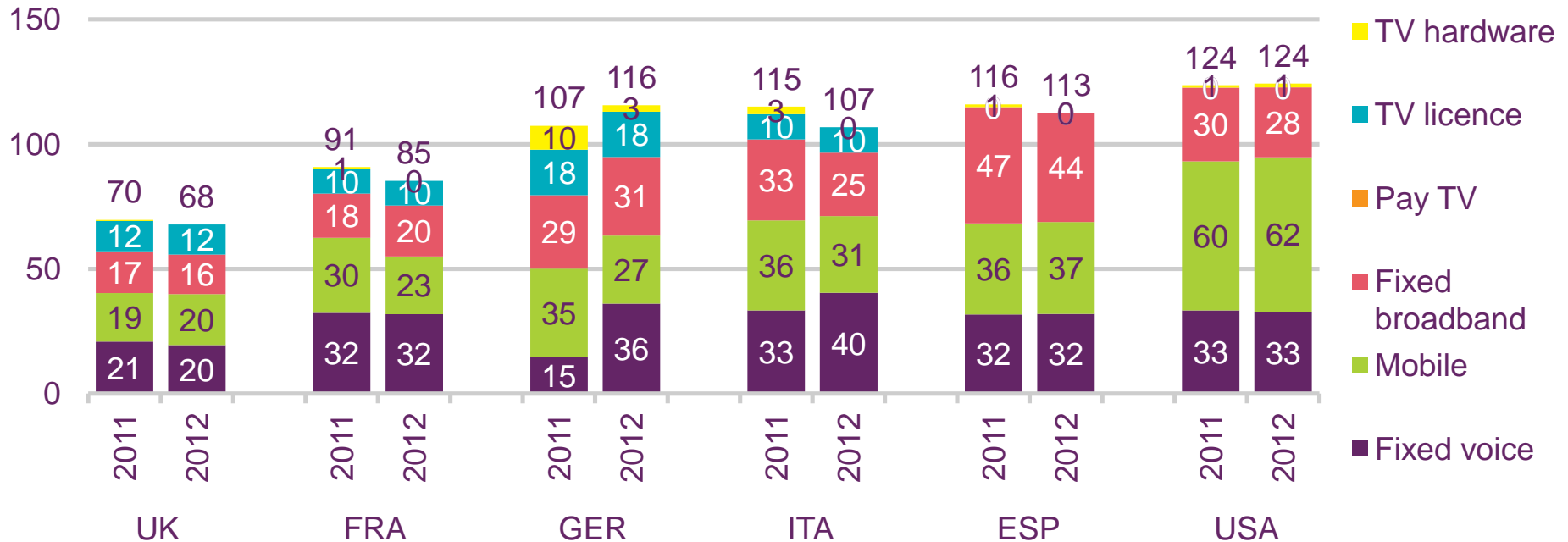
Source: Ofcom

Figure 2.15



Basket 2: 'weighted average' single-service pricing

Monthly cost (£)



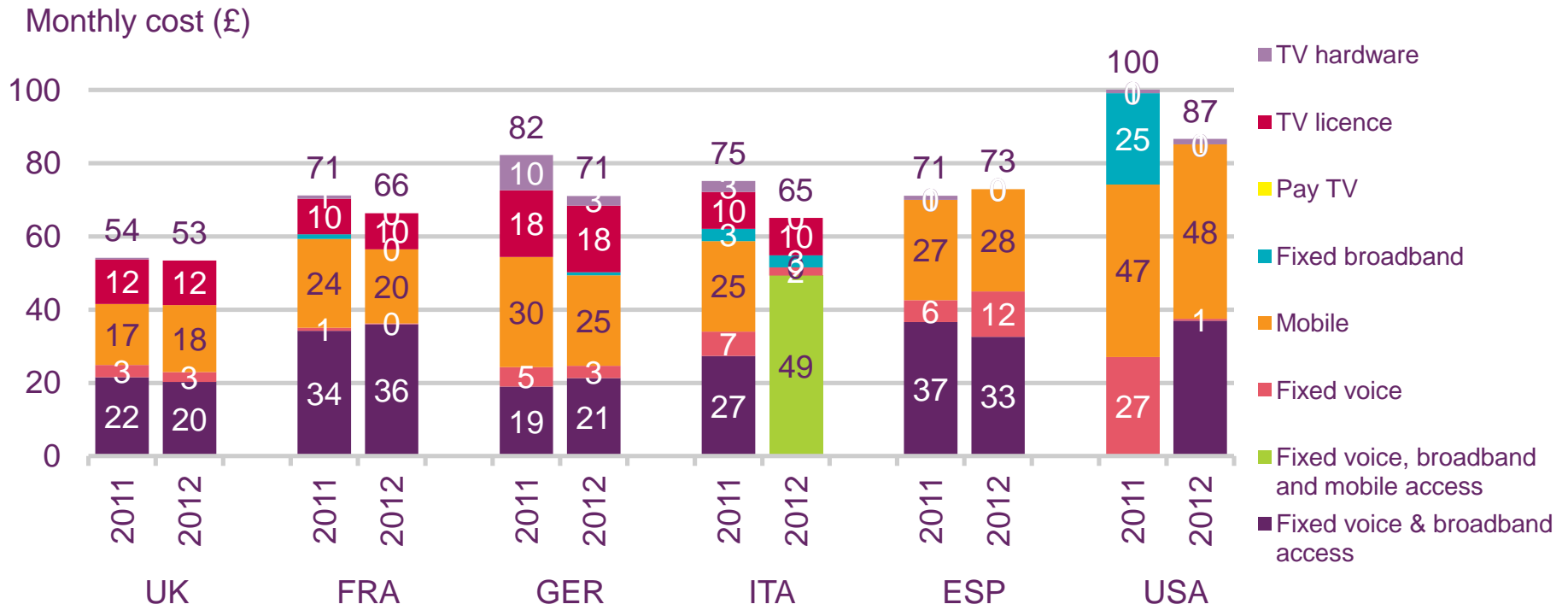
Source: Ofcom using data supplied by Teligen

Note: Weighted average of best-value tariff from each of the three largest operators by market share in each country; July 2011 and July 2012; PPP adjusted

Figure 2.16



Basket 2: comparative 'best offer' pricing



Source: Ofcom using data supplied by Teligen

Note: Lowest tariff available for each service type from any of the largest operators by market share in each country, July 2011 and July 2012; PPP adjusted; where a service is included in a bundle any additional usage charges are recorded separately against the relevant service

Figure 2.17



Composition of Basket 3

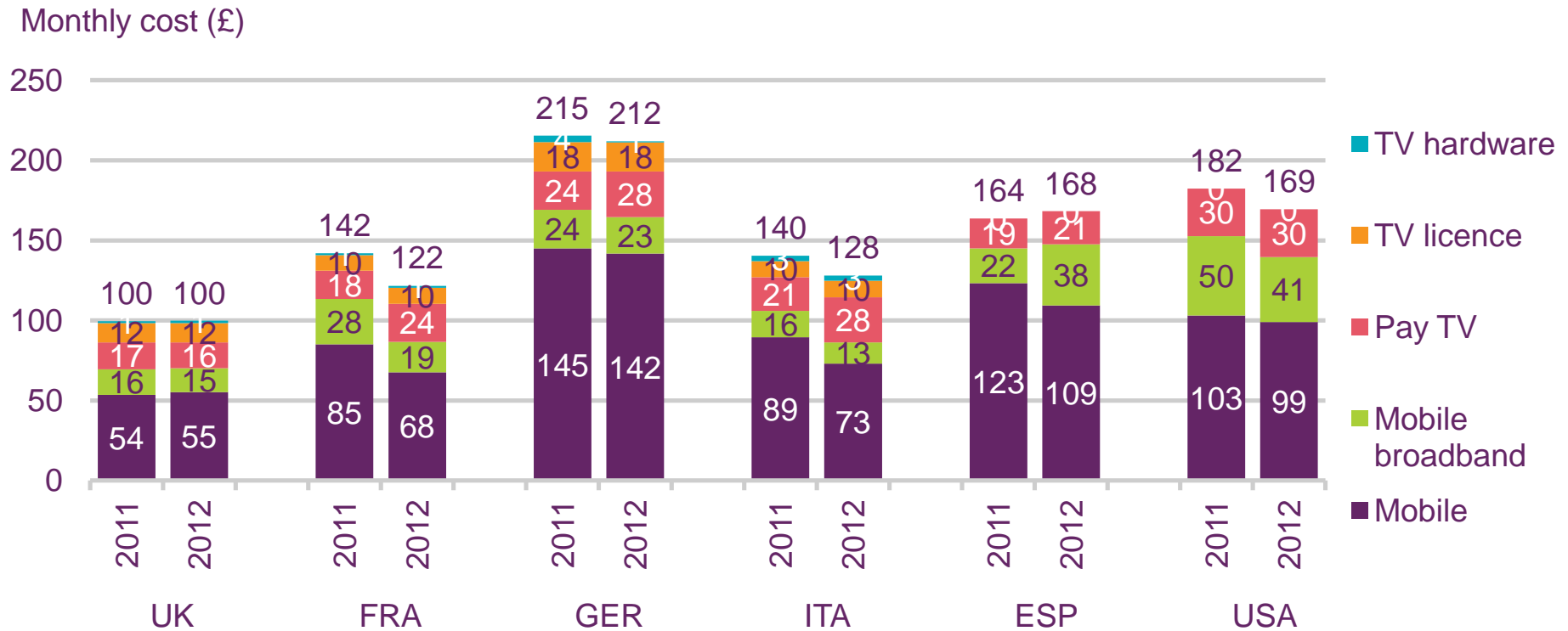
Fixed-line voice	Fixed broadband	Mobile	Mobile broadband	Television
n/a	n/a	516 call minutes 150 SMS 1GB data	5GB over 30 days per month	Basic pay-TV

Source: Ofcom

Figure 2.18



Basket 3: 'weighted average' single-service pricing

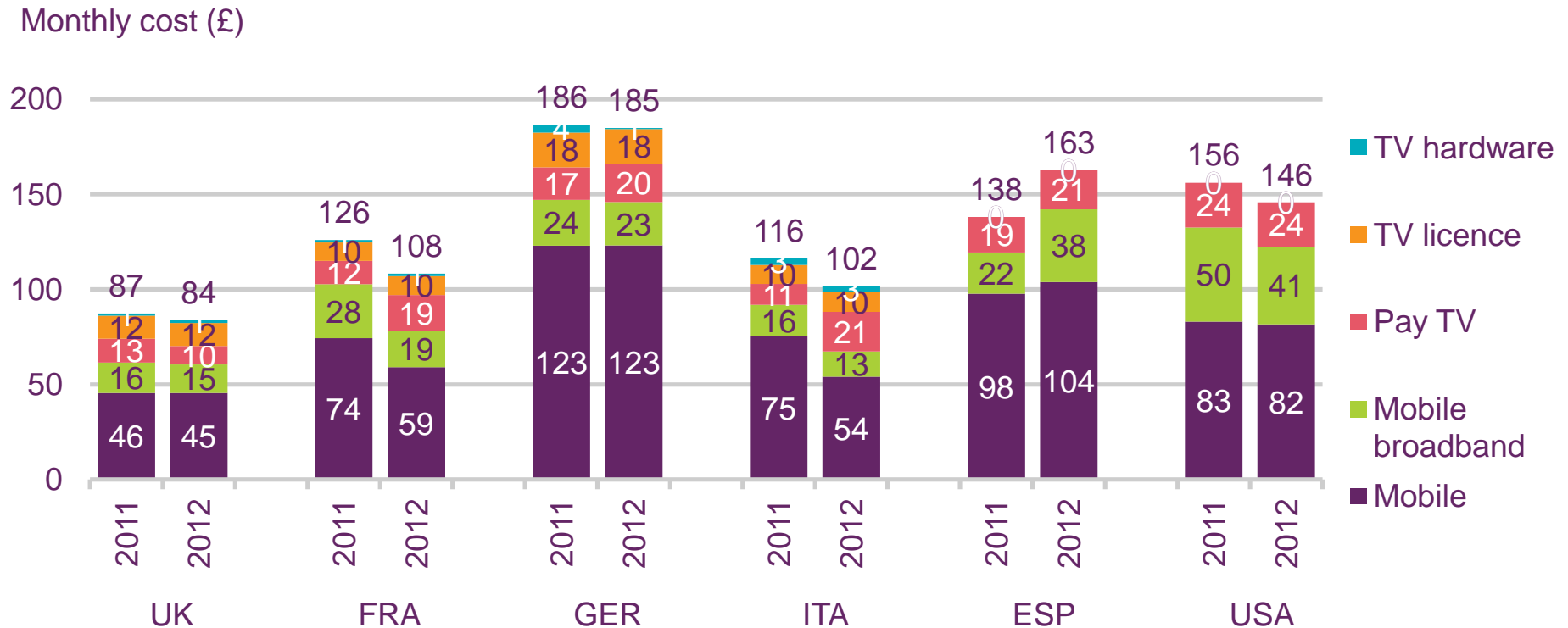


Source: Ofcom using data supplied by Teligen

Note: Weighted average of best-value tariff from each of the three largest operators by market share in each country; July 2011 and July 2012; PPP adjusted; the figure for mobile broadband is the best-offer single service

Figure 2.19

Basket 3: comparative 'best offer' pricing



Source: Ofcom using data supplied by Teligen

Note: Lowest tariff available for each service type from any of the largest operators by market share in each country, July 2011 and July 2012; PPP adjusted; where a service is included in a bundle any additional usage charges are recorded separately against the relevant service

Figure 2.20



Composition of Basket 4

Fixed-line voice	Fixed broadband	Mobile	Mobile broadband	Television
593 call minutes	15GB per month, minimum 8Mbit/s connection	<p>Connection 1 280 call minutes 30 SMS 300MB data</p> <p>Connection 2 169 call minutes 160 SMS</p> <p>Connection 3 55 call minutes 70 SMS</p> <p>Connection 2 55 call minutes 65 SMS</p>	n/a,	Basic pay-TV with recorder

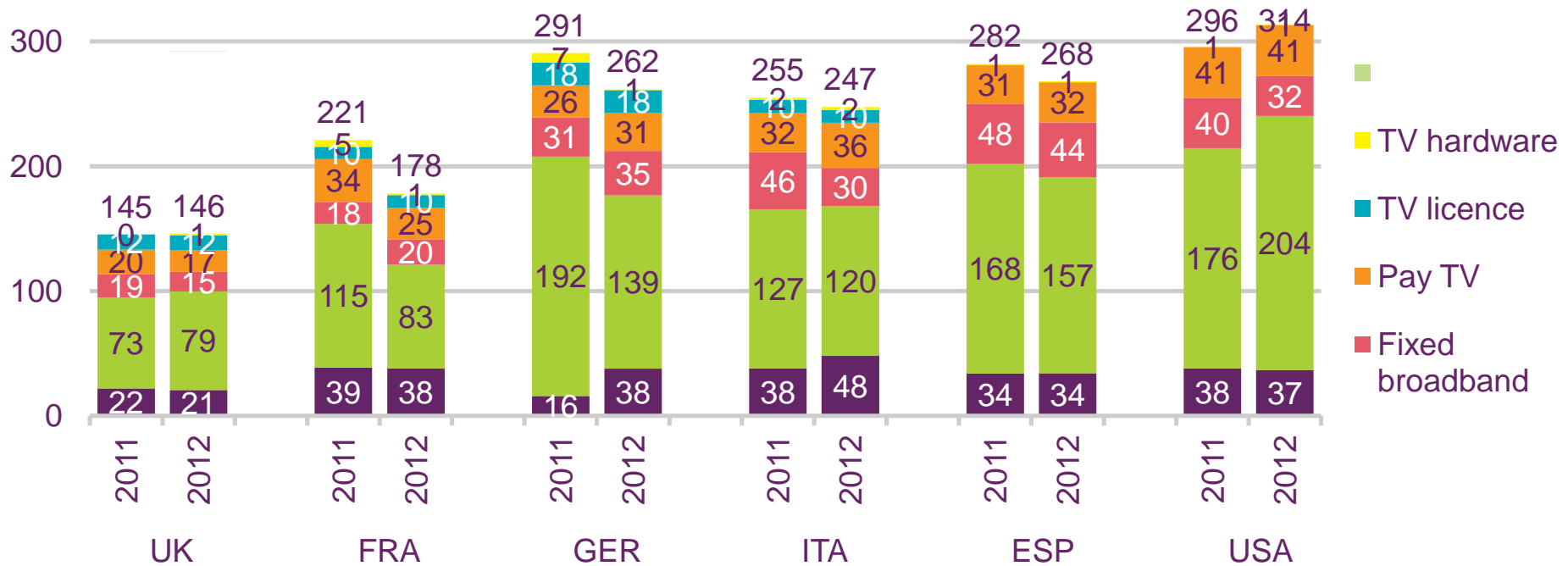
Source: Ofcom

Figure 2.21



Basket 4: 'weighted average' single-service pricing

Monthly cost (£)



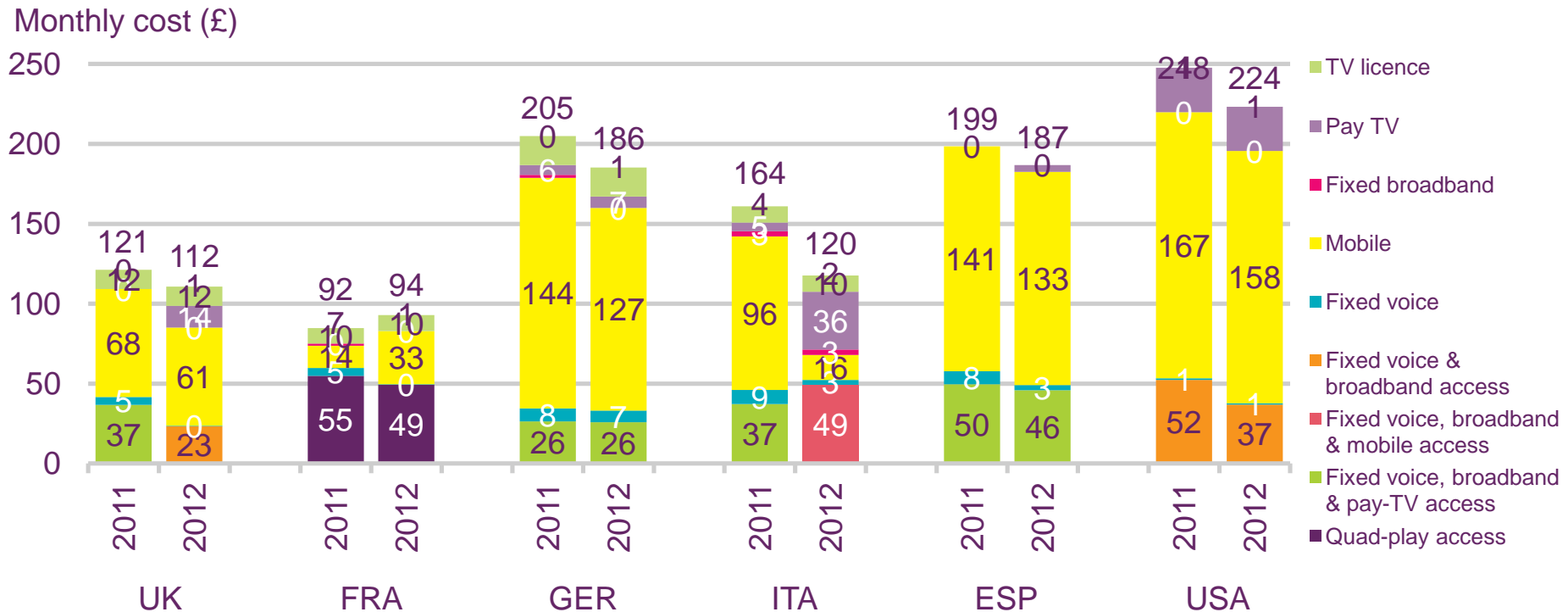
Source: Ofcom using data supplied by Teligen

Note: Weighted average of best-value tariff from each of the three largest operators by market share in each country; July 2011 and July 2012; PPP adjusted

Figure 2.22



Basket 4: comparative 'best offer' pricing



Source: Ofcom using data supplied by Teligen

Note: Lowest tariff available for each service type from any of the largest operators by market share in each country, July 2011 and July 2012; PPP adjusted; where a service is included in a bundle any additional usage charges are recorded separately against the relevant service

Figure 2.23

Composition of Basket 5

Fixed-line voice	Fixed broadband	Mobile	Mobile broadband	Television
246 call minutes	10GB per month minimum 30Mbit/s connection	Connection 1 376 call minutes 80 SMS 300MB data Connection 2 188 call minutes 20 SMS 100MB data	3GB over 25 days per month	HD pay-TV with recorder, movies and football

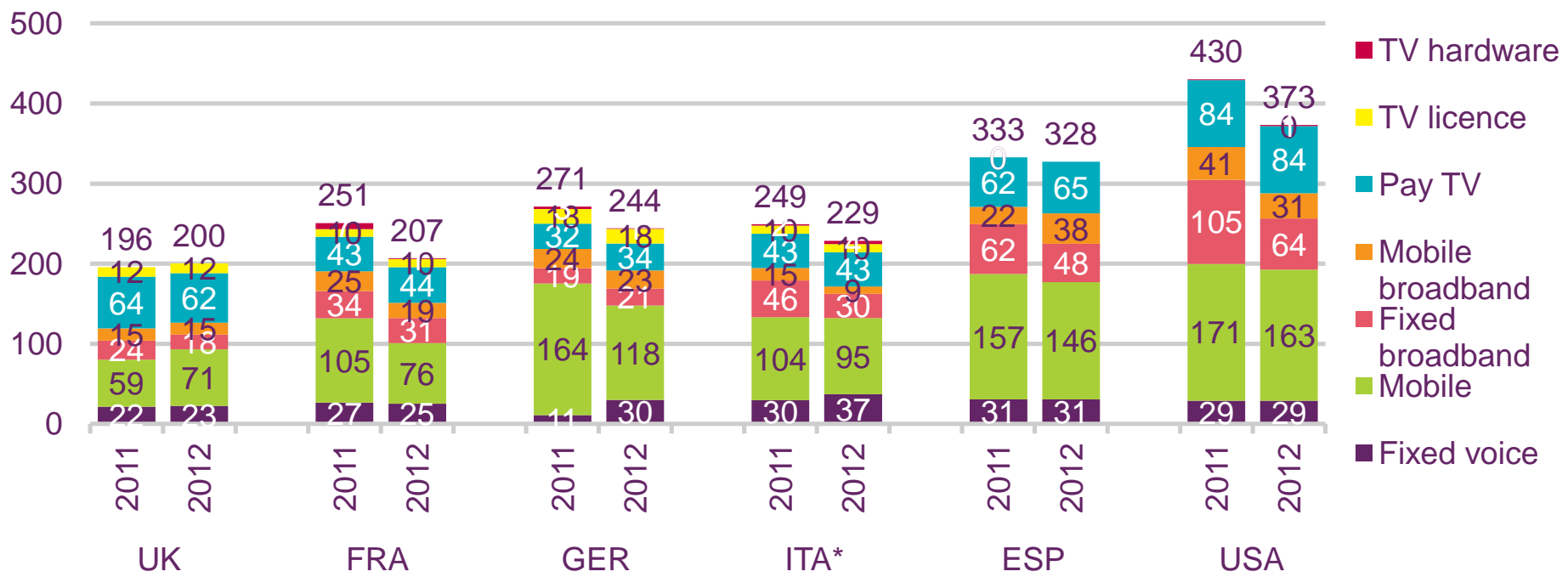
Source: Ofcom

Figure 2.24



Basket 5: 'weighted average' single-service pricing

Monthly cost (£)



Source: Ofcom, using data supplied by Teligen

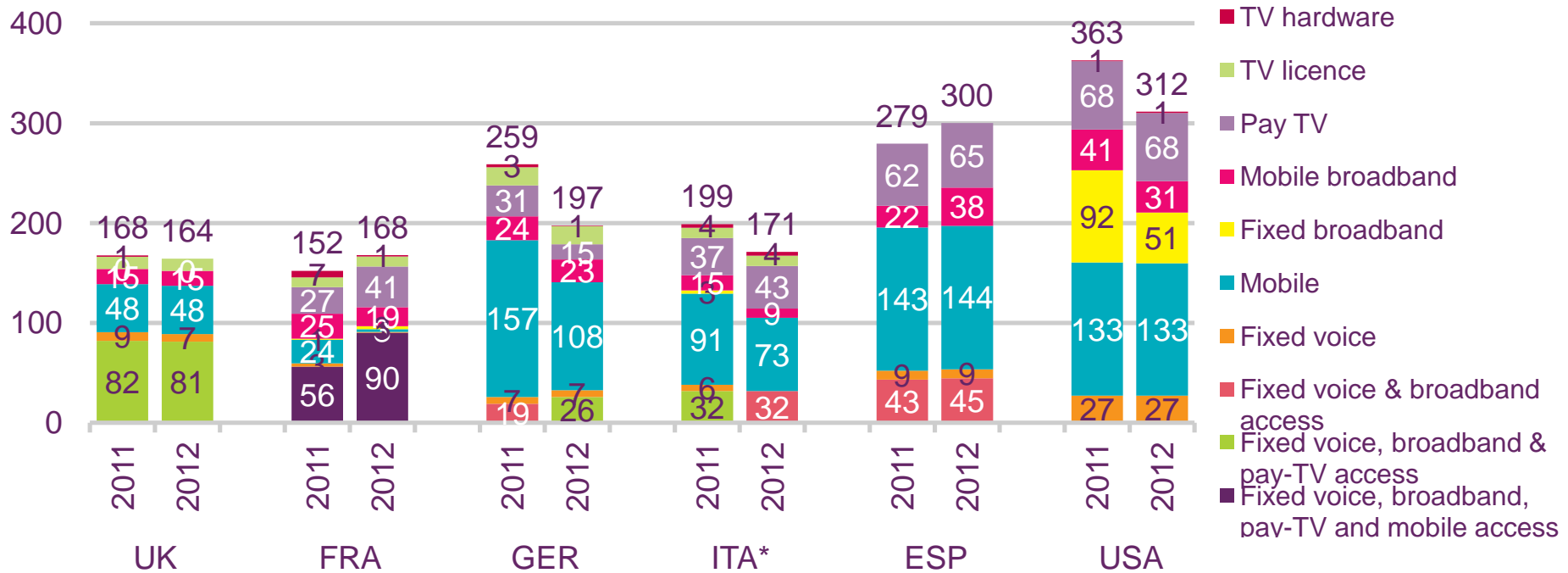
Note: Weighted average of best-value tariff from each of the three largest operators by market share in each country; July 2011 and July 2012; PPP adjusted; the figure for mobile broadband is the best-offer single service cost; *figures for Italy include 'up to' 20Mbit/s services as none of the providers included in our model offered superfast services.

Figure 2.25



Basket 5: comparative 'best offer' pricing

Monthly cost (£)



Source: Ofcom using data supplied by Teligen

Note: Lowest tariff available for each service type from any of the largest operators by market share in each country, July 2011 and July 2012; PPP adjusted; where a service is included in a bundle any additional usage charges are recorded separately against the relevant service; *figures for Italy include 'up to' 20Mbit/s services as none of the providers included in our model offered superfast services.

Figure 2.26

Summary of 'weighted average' and 'best offer' basket pricing



Weighted average' single service pricing (£ per month)

Basket 1	1	UK	50
	2	FRA	57
	3	ESP	57
	4	GER	69
	5	ITA	70
	6	USA	80

Basket 2	1	UK	68
	2	FRA	85
	3	ITA	107
	4	ESP	113
	5	GER	116
	6	USA	124

Basket 3	1	UK	100
	2	FRA	122
	3	ITA	128
	4	ESP	168
	5	USA	169
	6	GER	212

4	1	UK	146
	2	FRA	178

Best offer' pricing including multi-play (£ per month)

Basket 1	1	UK	45
	2	ESP	47
	3	FRA	54
	4	ITA	57
	5	USA	62
	6	GER	62

Basket 2	1	UK	53
	2	ITA	65
	3	FRA	66
	4	GER	71
	5	ESP	73
	6	USA	87

Basket 3	1	UK	84
	2	ITA	102
	3	FRA	108
	4	USA	146
	5	ESP	163
	6	GER	185

4	1	FRA	94
	2	UK	112

Figure 2.27

Change in 'weighted average' single service basket pricing, 2012

	UK	FRA	GER	ITA	ESP	USA
Basket 1	3.5%	-5.5%	-14.1%	3.2%	-3.2%	4.3%
Basket 2	-2.6%	-6.1%	7.7%	-7.2%	-2.9%	0.5%
Basket 3	0.3%	-14.3%	-1.7%	-8.7%	2.8%	-7.1%
Basket 4	0.4%	-19.4%	-10.0%	-2.9%	-4.9%	6.0%
Basket 5	2.3%	-17.4%	-10.0%	-8.3%	-1.6%	-13.2%

Source: Ofcom using data supplied by Teligen

Figure 2.28

Change in the single service pricing of basket components, 2012

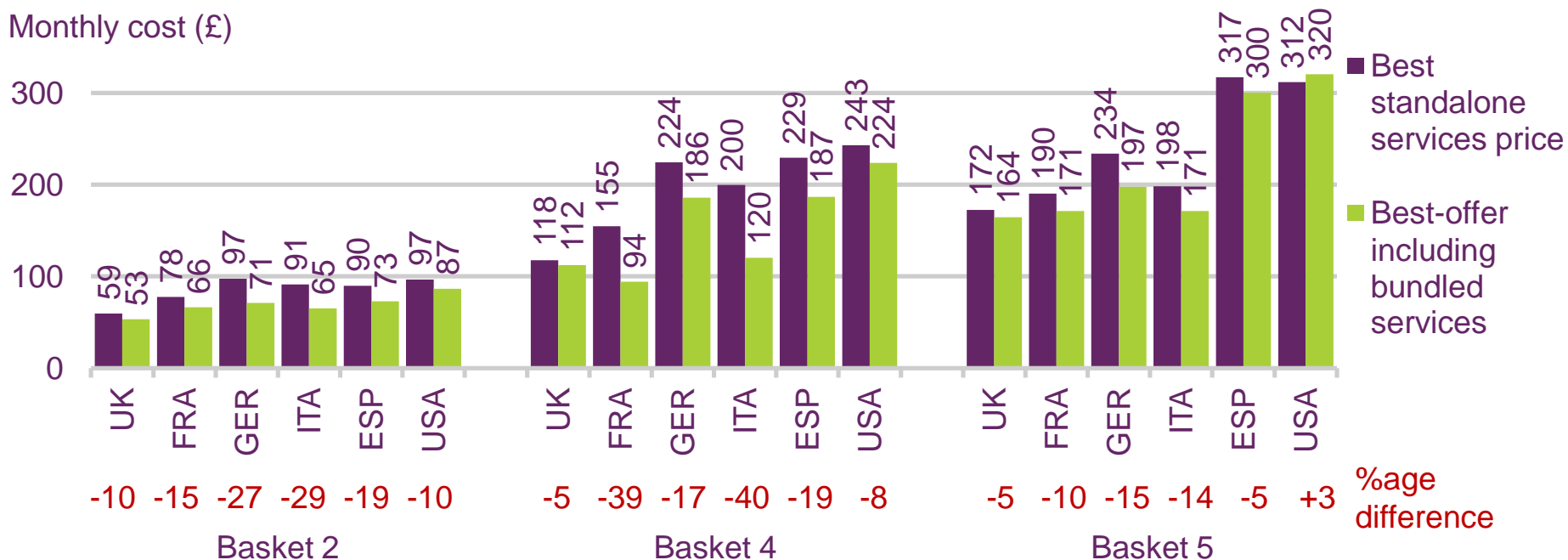
	UK	FRA	GER	ITA	ESP	USA
Fixed voice	-0.7%	-2.1%	90.6%	22.4%	1.9%	-1.1%
Mobile	10.4%	-25.2%	-20.5%	-9.7%	-7.6%	3.5%
Fixed broadband	-16.7%	4.3%	10.4%	-30.5%	-13.5%	-29.0%
Mobile broadband	-4.2%	-23.4%	-5.3%	-3.7%	75.0%	-20.4%
Pay TV	-5.6%	-1.3%	13.9%	12.3%	5.3%	0.3%

Source: Ofcom using data supplied by Teligen

Notes: Fixed voice, fixed broadband and pay-TV figures are the change in the total weighted average cost of fulfilling our five basket's requirements for those services; pay-TV figures include the licence fee; mobile figures are the change in the total weighted average cost of fulfilling the requirements of the nine mobile connections included in our baskets; mobile broadband figures are the change in the total single service 'best offer' cost of fulfilling the requirements of the two baskets which include the service.

Figure 2.29

Difference between best standalone service and best-offer prices including bundles



Source: Ofcom, using data supplied by Teligen

Note: Weighted average of best-value tariff from each of the three largest operators by market share in each country; July 2011 and July 2012; PPP adjusted; the figure for mobile broadband is the best-offer single service cost; *figures for Italy include 'up to' 20Mbit/s services as none of the providers included in our model offered superfast services.

Figure 2.30

Difference between 'weighted average' and 'best-offer' pricing

	UK	FRA	GER	ITA	ESP	USA
Basket 1	-10%	-5%	-9%	-19%	-18%	-22%
Basket 2	-21%	-22%	-39%	-39%	-35%	-30%
Basket 3	-16%	-11%	-13%	-21%	-3%	-14%
Basket 4	-23%	-47%	-29%	-51%	-30%	-29%
Basket 5	-18%	-19%	-19%	-25%	-8%	-17%

Source: Ofcom using data supplied by Teligen