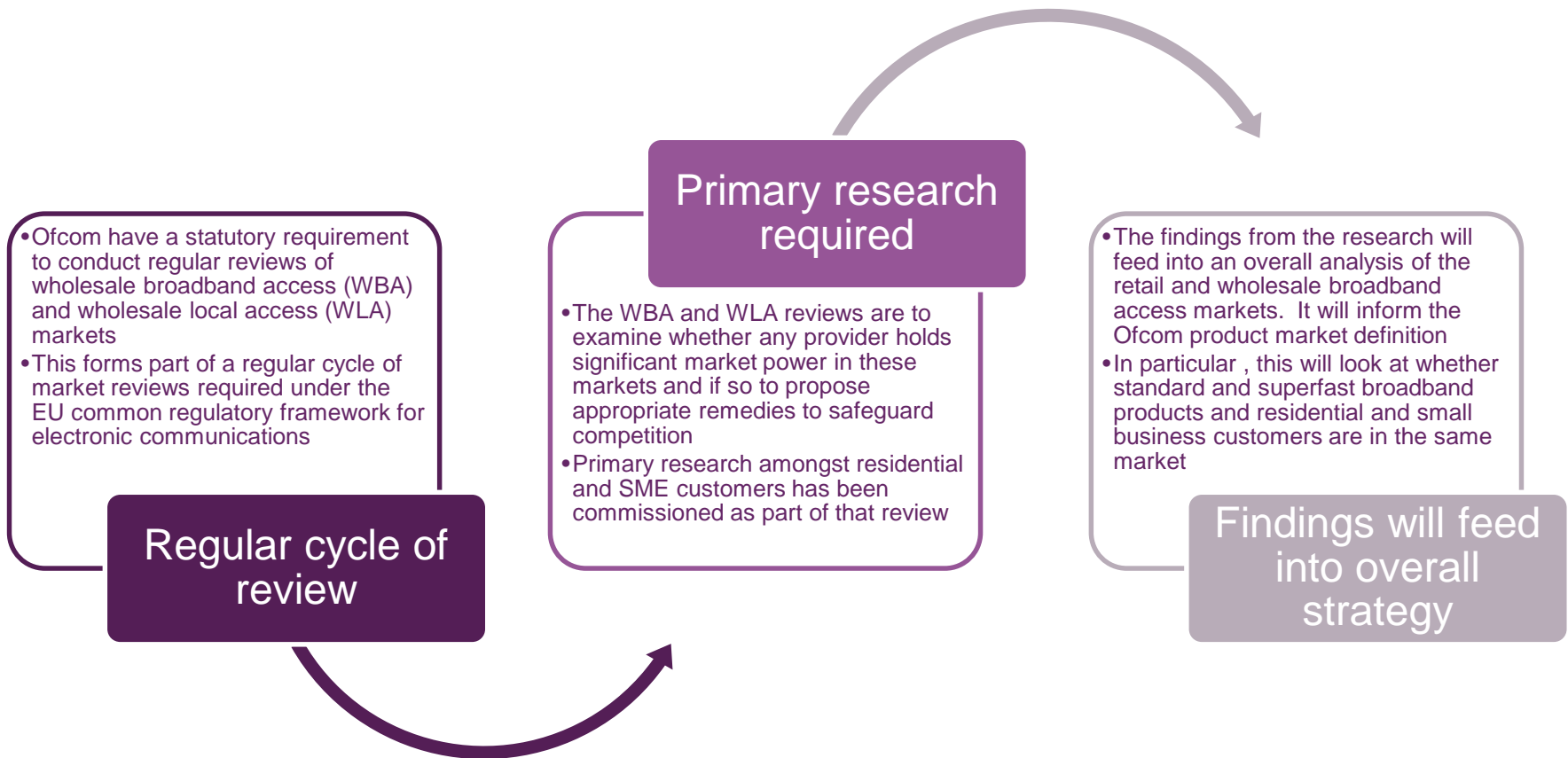


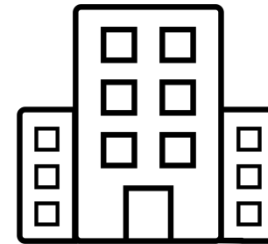
Residential and SME broadband research

March 2016

Background to the research



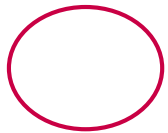
How the research was conducted



	Residential customers	SME business customers
Data collection	Face to Face omnibus	CATI (Computer Assisted Telephone Interviewing)
Fieldwork dates	16 th to 20 th October 2015	19 th October to 12 th November 2015
Respondent	Fixed Broadband access in household Sole or joint decision maker/ bill payer	Fixed Broadband access. IT decision maker
Sample	Overall sample: n=2,000 (nationally representative omnibus sample) Specific sample: n=1,263 (fixed broadband access and sole/ joint decision maker/ bill payer)	N=500 representative of SMEs with broadband access. Quotas by size, region, business type. Sole traders and public sector excluded.
Questionnaire	Some common elements for comparison	

How to read the charts:

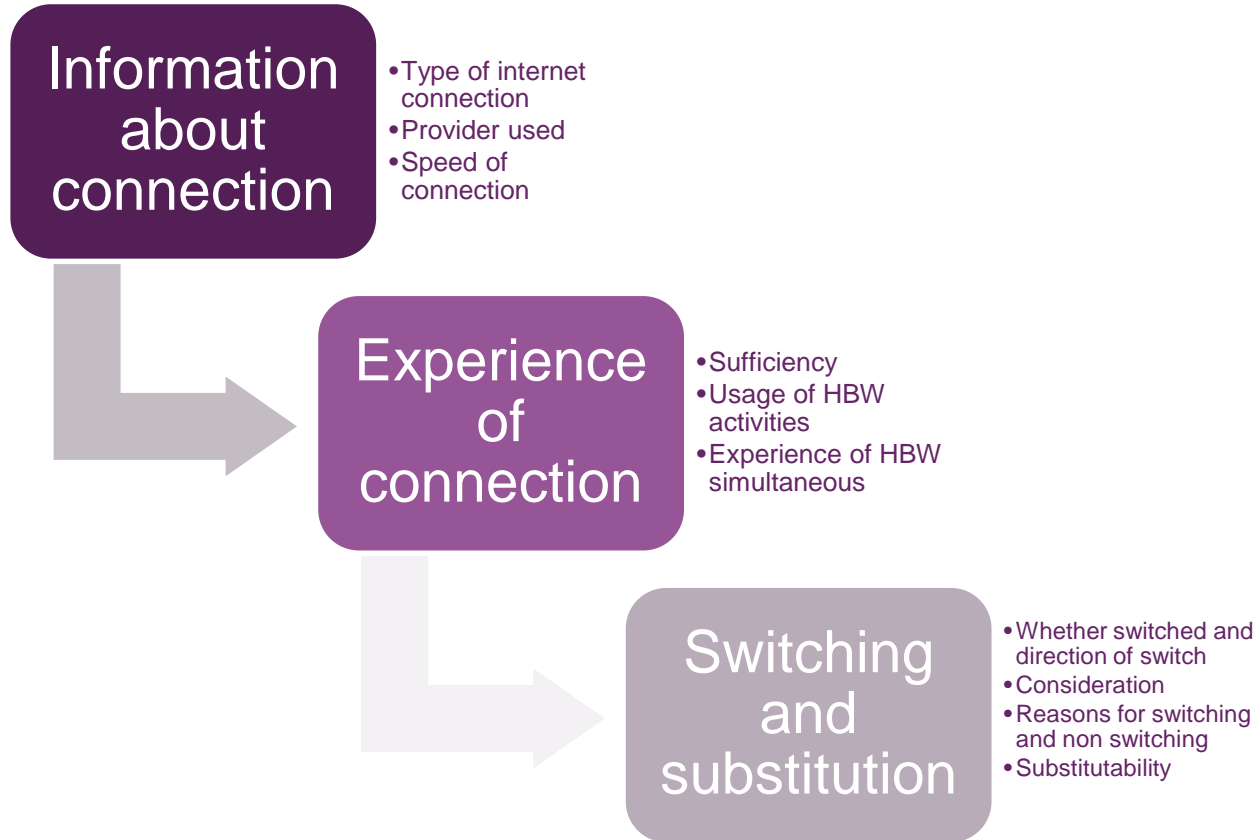
Differences between subgroups are indicated in the charts



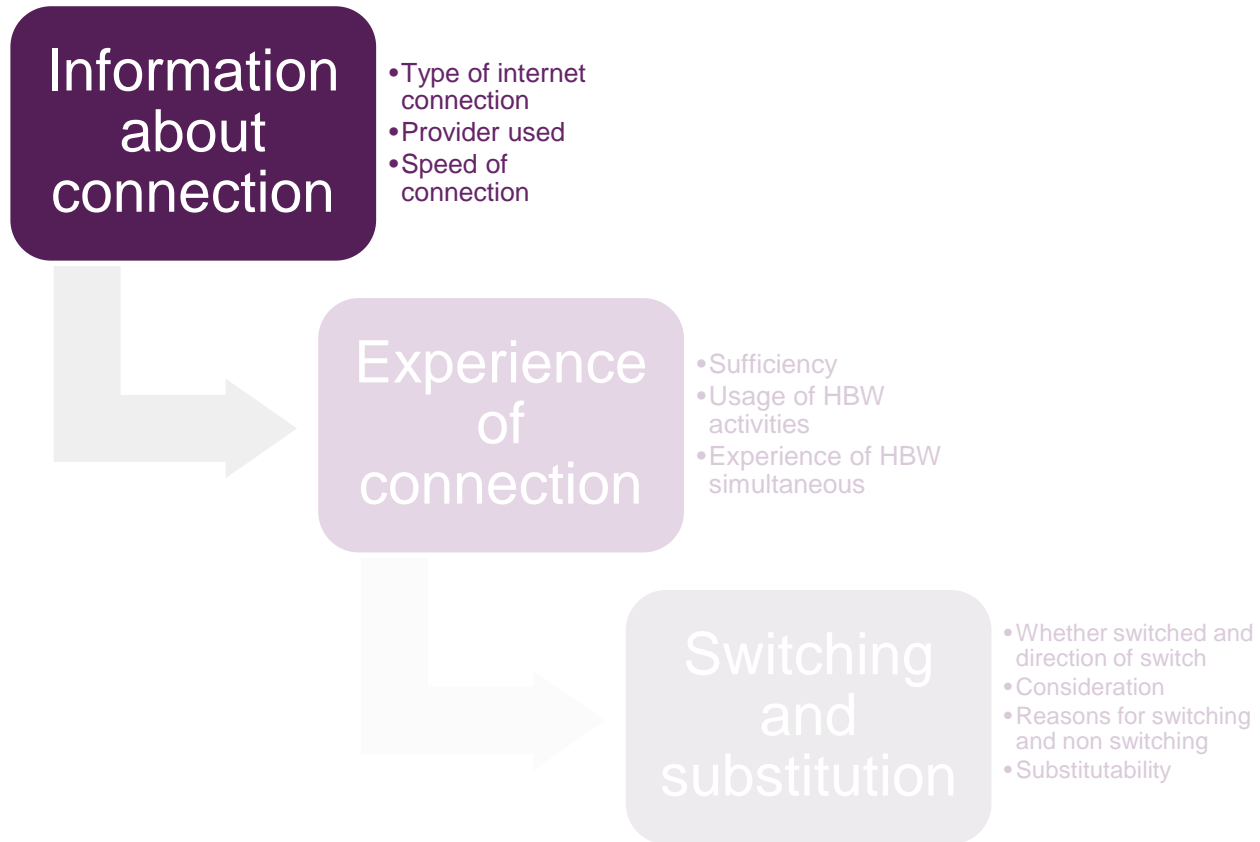
Significantly higher than
comparison group at the 95%
level

*Where subgroups are compared outside a chart or table if they are in italics
it means the difference is not statistically significant*

Agenda



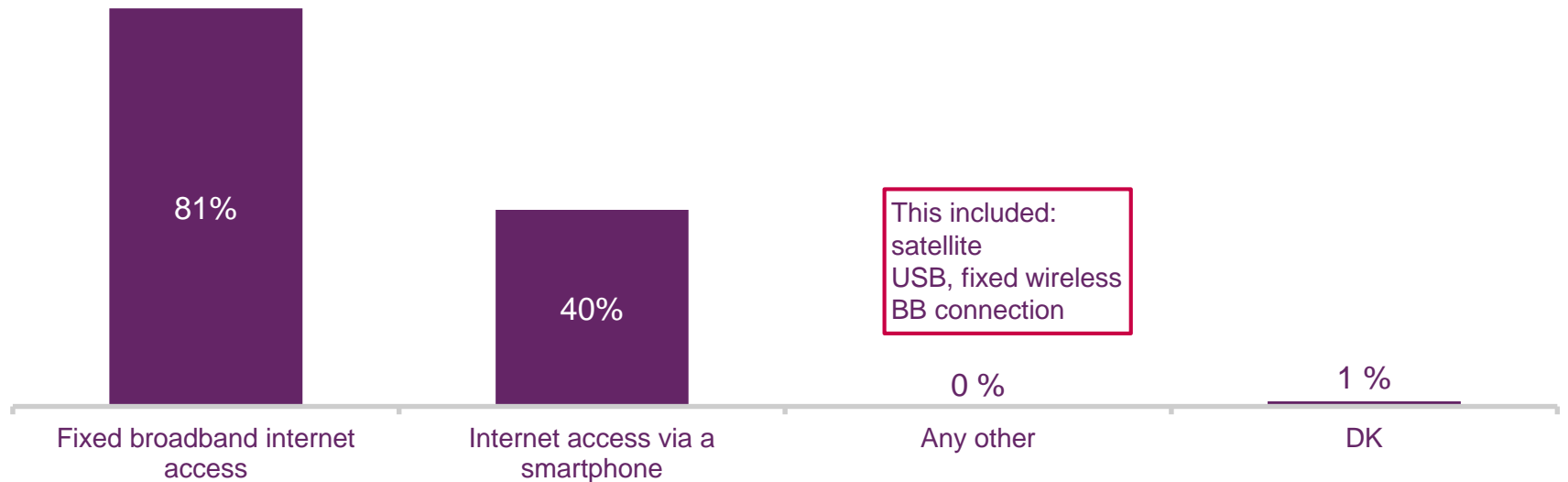
Contents



Communication products used by residential customers

8 in 10 (81%) in the UK have a fixed broadband connection in their home

Access to internet at home



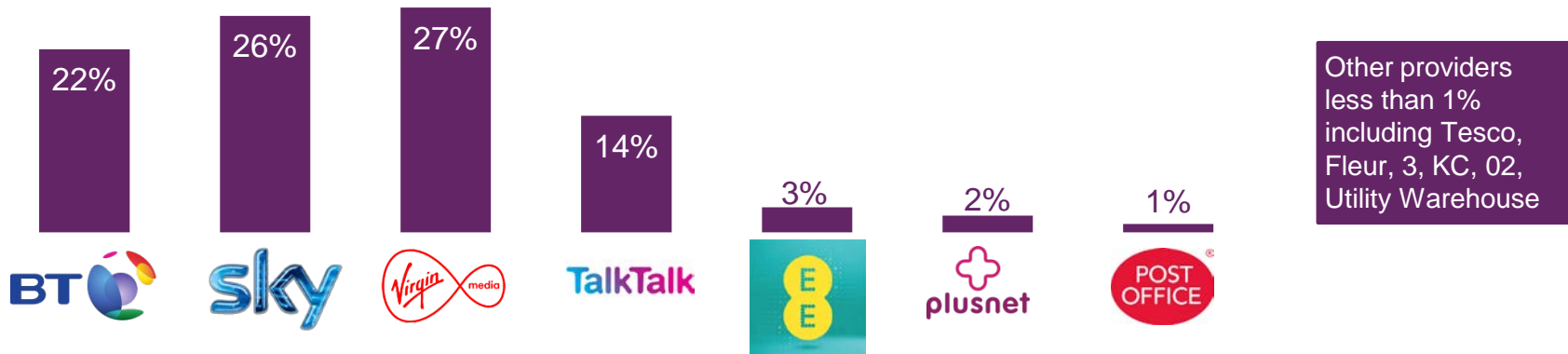
NB: these options are shortened for ease of reading on the chart. For full detail provided to respondents please see questionnaire

Source: Which, if any, of the following internet connections do you have in your home?
Base: All UK adults - 2107



BT, Sky and Virgin Media the three main fixed residential broadband providers

Residential fixed broadband supplier



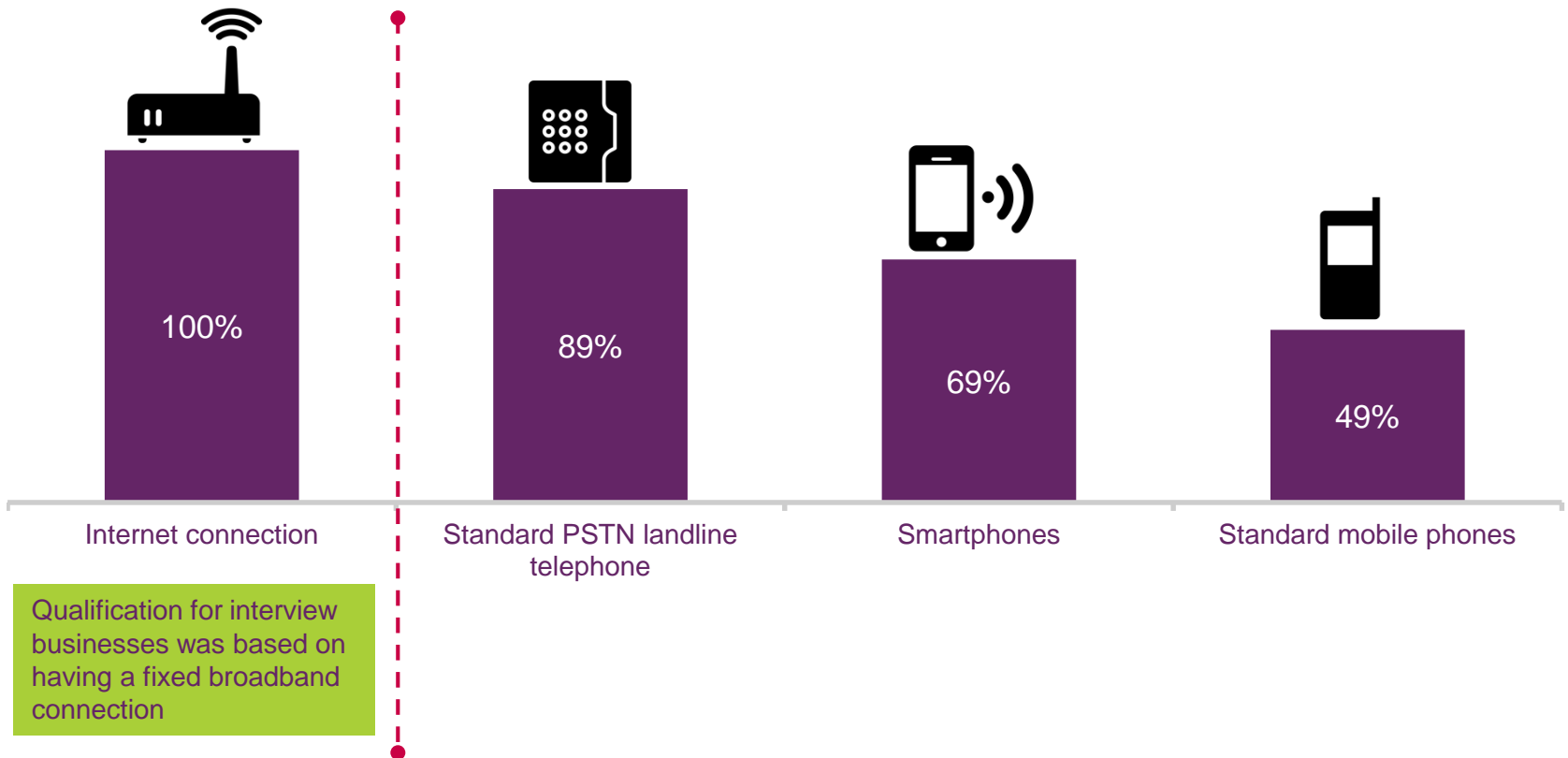
Source: Which provider do you use for your fixed broadband service?

Base: All UK adults with fixed BB connection who have responsibility for it - 1263

Communication products used by SMEs with fixed broadband

9 in 10 SMEs with broadband also have a landline phone

Communication products in SME businesses with fixed broadband



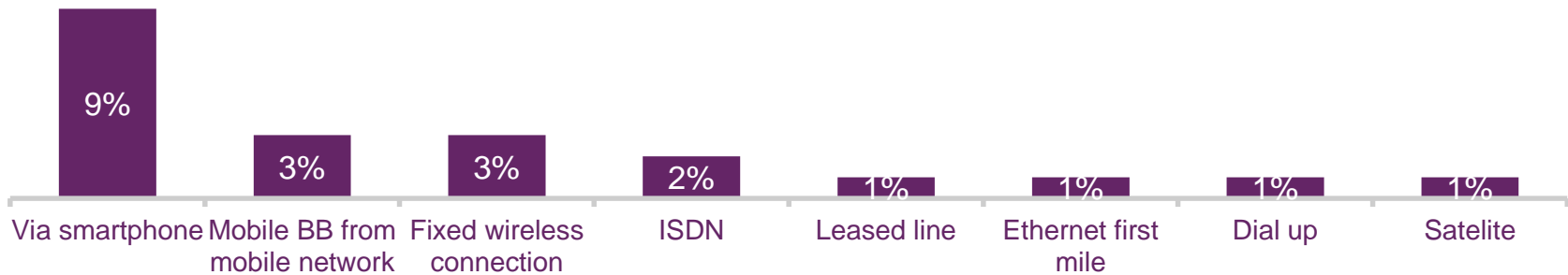
Source: Which of the following do you use in your business? It doesn't matter if it is a service specifically for businesses, only that it is used for business purposes.?

Base: SMEs with fixed broadband connections - 516

12% have a connection to the internet they use other than fixed broadband



Type of connection (other than fixed broadband)



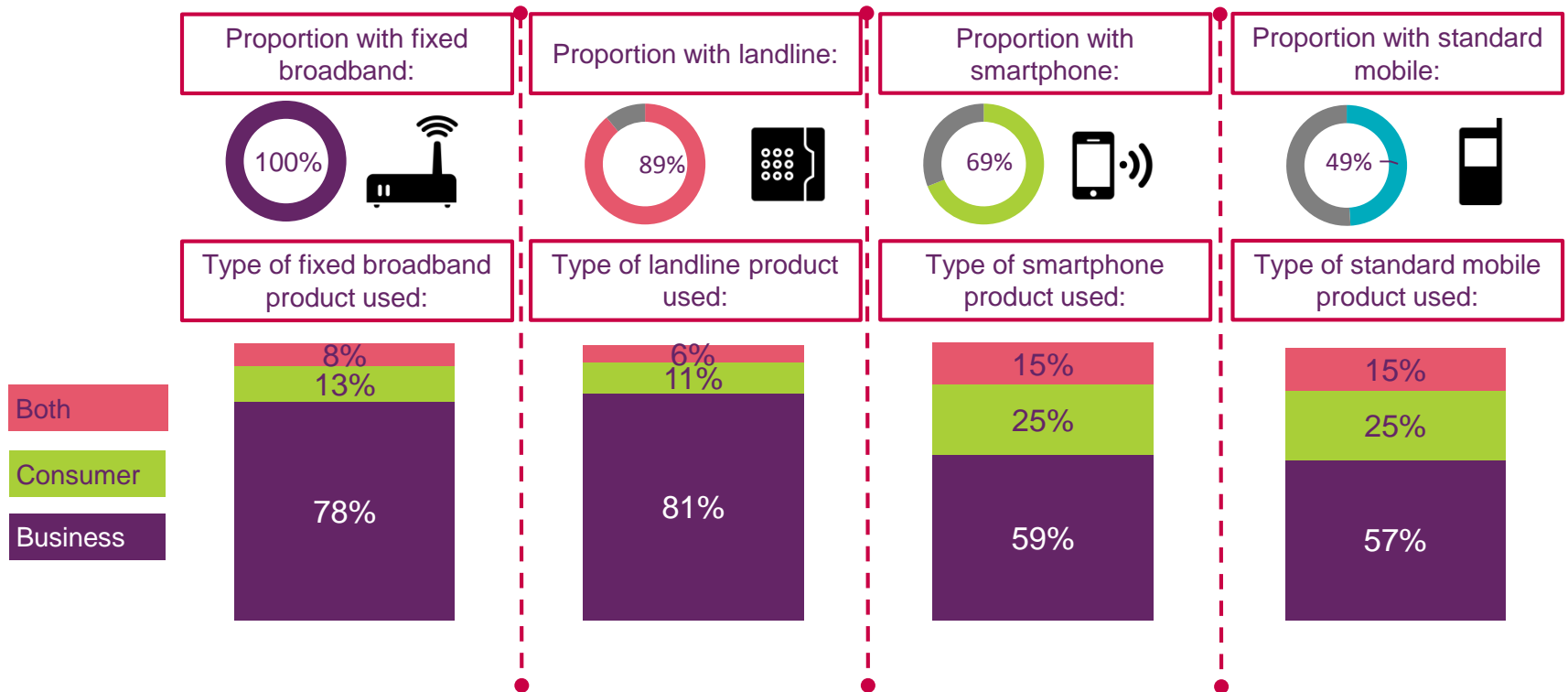
NB: these options are shortened for ease of reading on the chart. For full detail provided to respondents please see questionnaire

Source: You said you used an internet connection in your business, which, if any, of the following internet connections does your business use?
 Base: SMEs with fixed broadband connections - 516

Business, rather than consumer products are used by vast majority with fixed broadband and landline connections



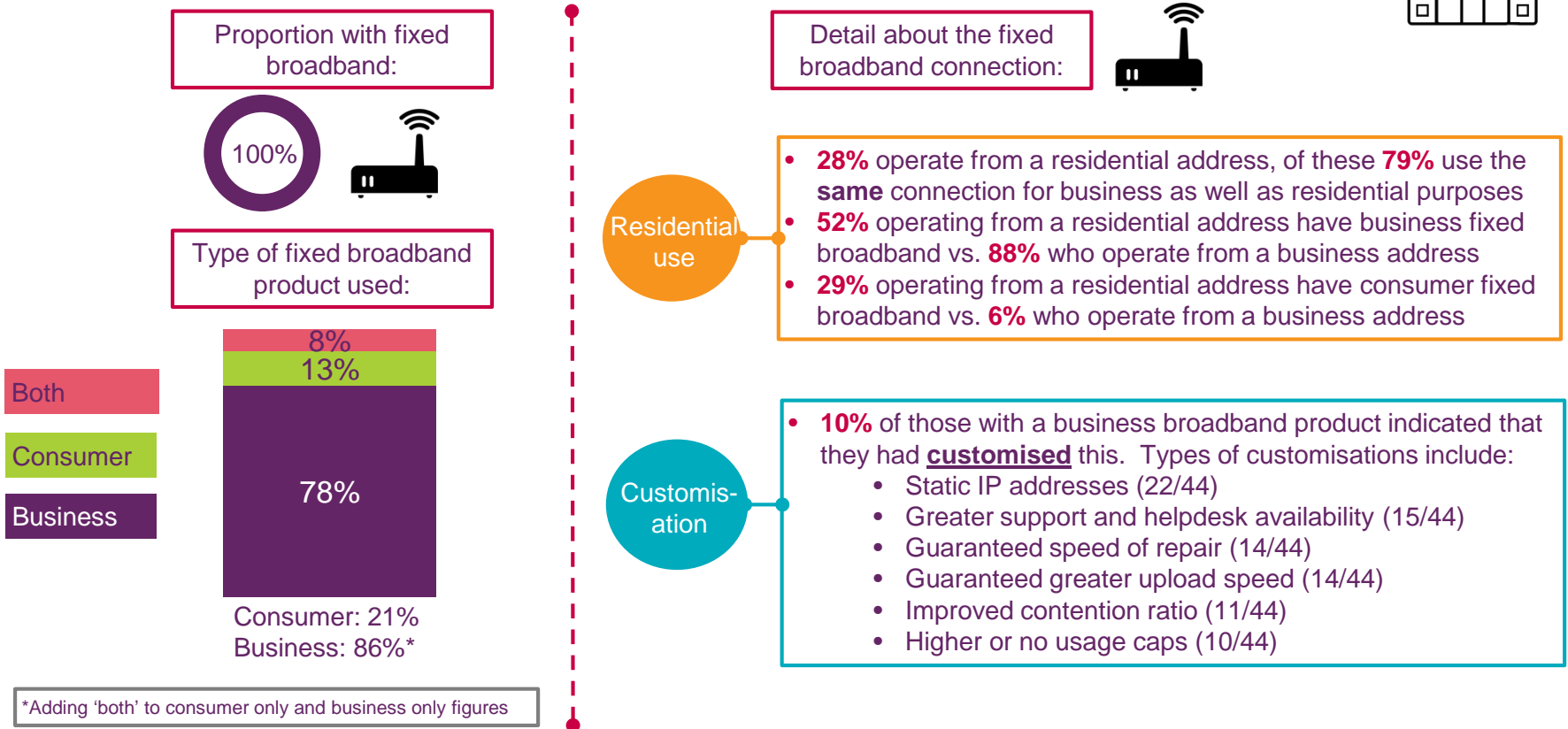
Type of product



Source: Sometimes businesses use products that are aimed at consumers rather than specific services for businesses. Thinking about the communications services that are used in your business can you tell me if they are a product marketed to consumers, or if they are a product specifically for businesses? Base: SMEs with fixed broadband connections – 516/ All with landline – 468, All with smartphone – 344, All with standard mobile - 261

Businesses operating from residential address (28%) tend to use the same connection for business and residential purposes

Type of product



Source: You said you used an internet connection in your business, which, if any, of the following internet connections does your business use?
Base: SMEs with fixed broadband connections – 516

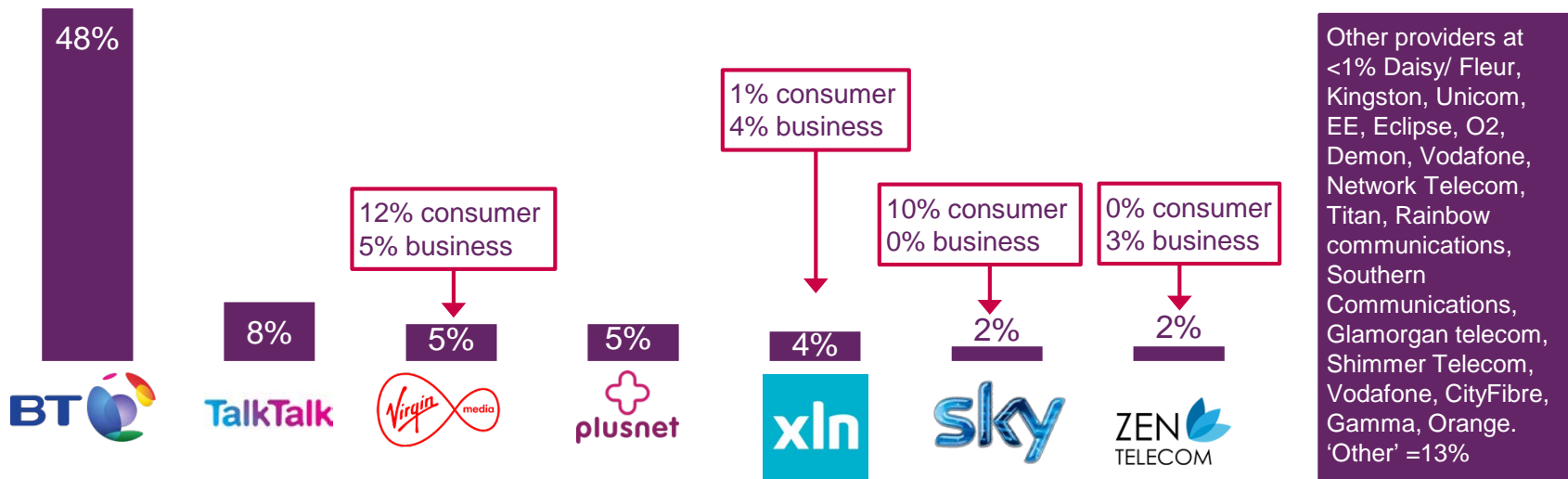
Half of SMEs with fixed broadband use BT

Fixed broadband supplier



Figures in boxes show where there are differences in the type of product used

Please note: the list of suppliers is very fragmented, see below for those with more than 1 mention. However, 13% were mentioned by 1 respondent only



NB: not all differences are statistically significant

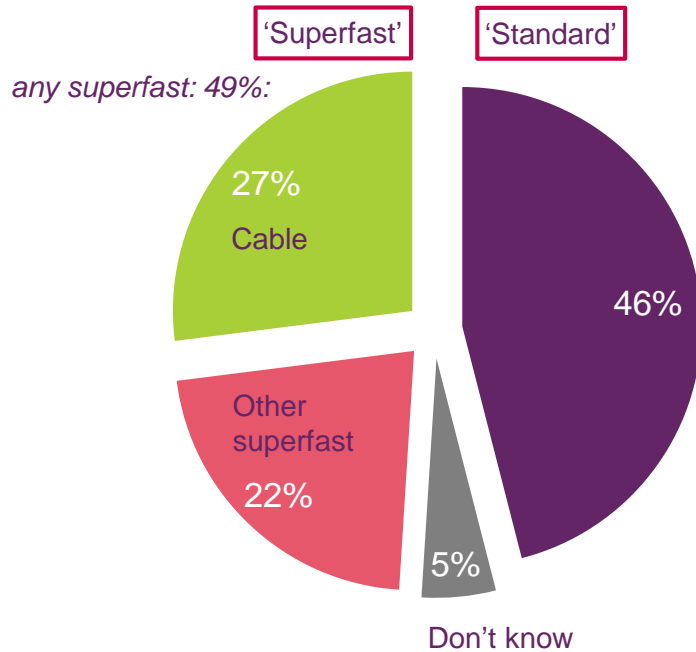
Source: Please tell me which provider you use for the following... Fixed broadband internet access
 Base: All SMEs with fixed broadband - 516

Speed of fixed broadband connection

Around half (46%) of residential broadband consumers claim to have above a 'standard' connection. However, two in five (43%) are able to name the exact speed



Type of connection/ speed of connection



	TOTAL	Standard	Superfast
Able to name a speed:	43%	36%	54%
Up to 30Mb/s	25%	33%	19%
Over 30Mb/s	19%	3%	35%
Provider	22% BT 26% Sky 27% Virgin Media	23% BT 37% Sky 22% TalkTalk	23% BT 13% Sky 5% TalkTalk 55% Virgin Media

NB: these options are shortened for ease of reading on the chart. For full detail provided to respondents please see questionnaire

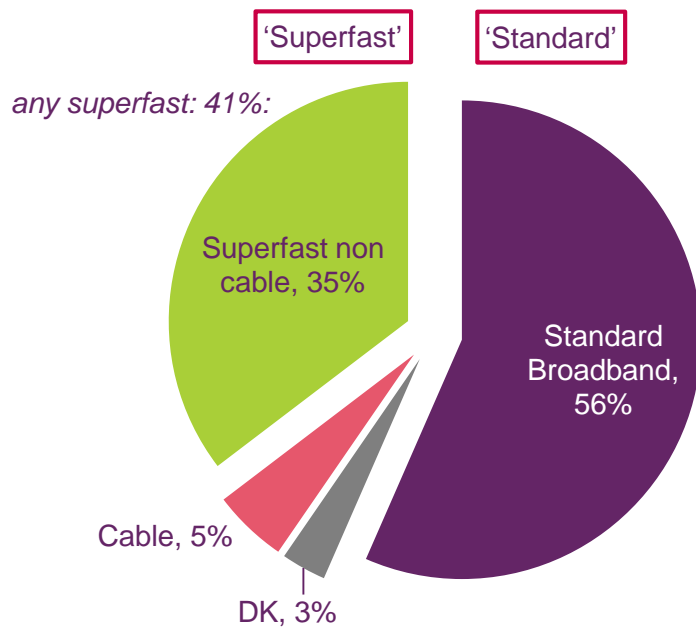
Source: Thinking about your fixed broadband service...What type of broadband service do you have? Do you know what speed you expect to receive for your fixed broadband service, ie the speed that you are paying for?

Base: All UK adults with a fixed BB connection who have responsibility for it - 1263

Over half (56%) of SMEs with fixed broadband indicate they have a 'standard' connection. Many (55%) are able to specify the exact speed



Type of connection/ speed of connection



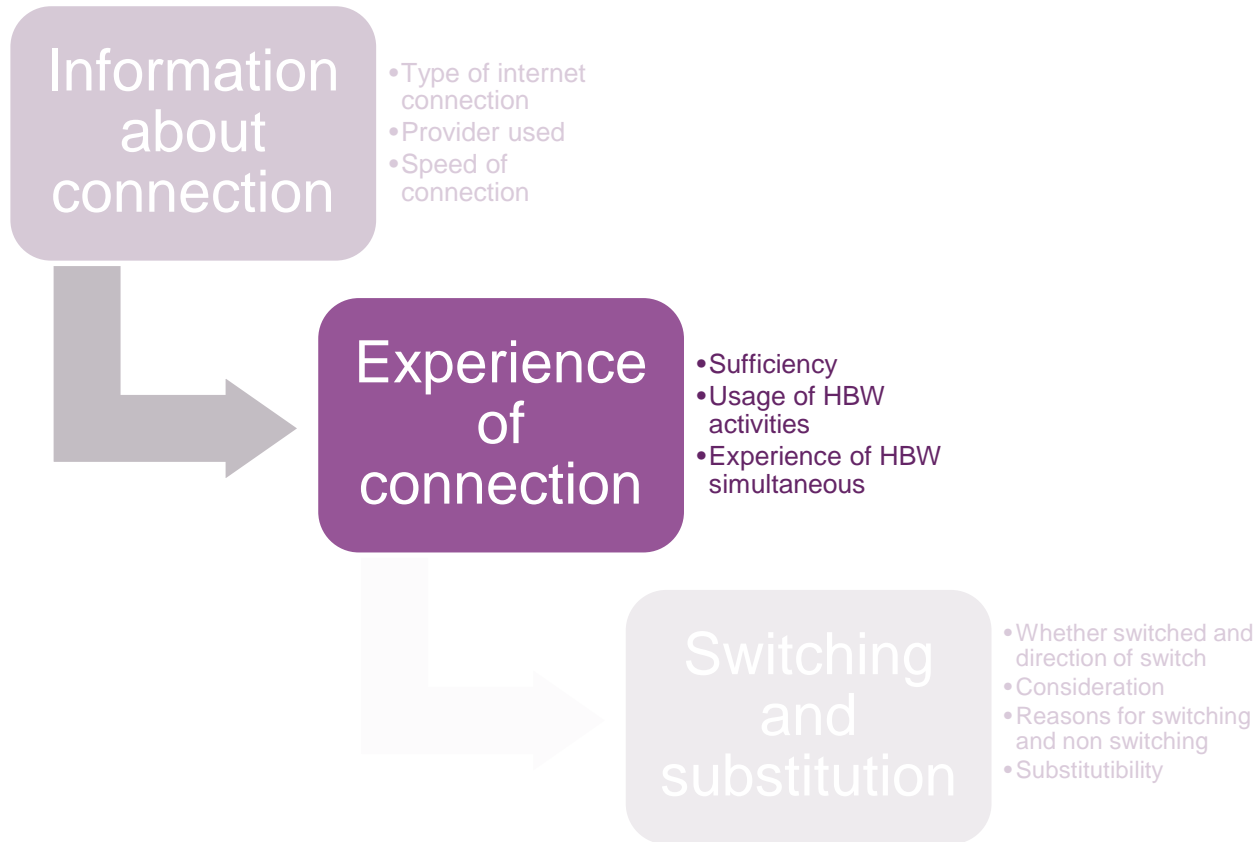
	ALL	Standard	Superfast
Able to name a speed:	55%	49%	65%
Up to 30Mb/s	36%	45%	26%
Over 30Mb/s	19%	5%	39%
Provider	48% BT 8% TalkTalk 5% Virgin Media	46% BT 10% TalkTalk Plusnet 5% 4% Sky	51% BT 13% Virgin Media 6% TalkTalk 5% Plusnet
Sector	50% Services 27% W/R/D 23% Manufacturing	29% Manufacturing 29% W/R/D 43% Services	15% Manufacturing 25% W/R/D 60% Services

NB: these options are shortened for ease of reading on the chart. For full detail provided to respondents please see questionnaire

Source: Thinking about your fixed broadband service...What type of broadband service do you have? /Do you know what speed you expect to receive for your fixed broadband service, ie the speed that you are paying for?

Base: All SMEs with a fixed broadband connection - 516

Contents



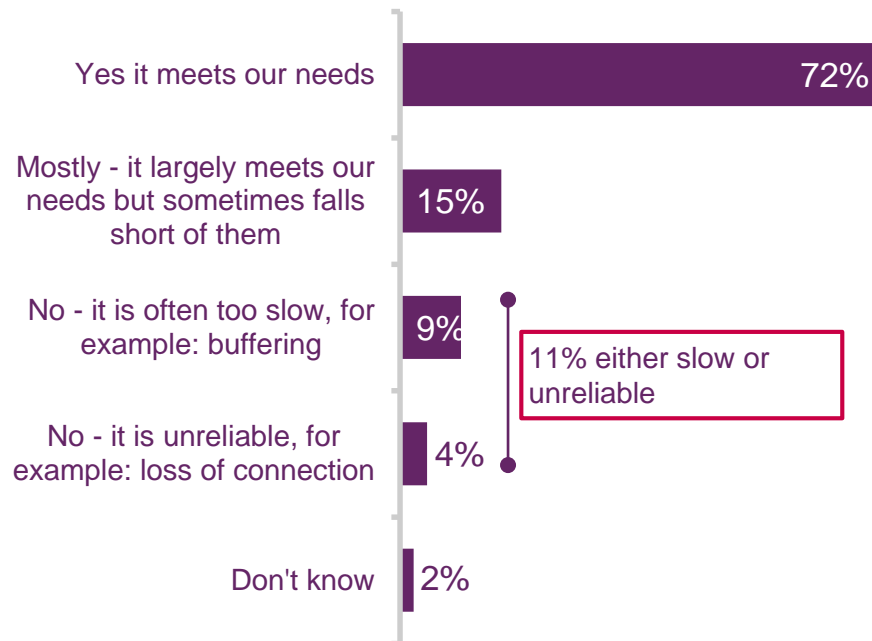
Overall experience of connection

3 in 4 (72%) residential customers considered that their fixed broadband service meets their needs

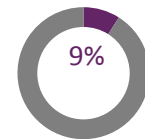
Connection sufficiency



Whether connection meets needs:



More detail about those considering their connection too slow:



9% find connection 'often too slow':

Incidence of 'too slow' connection similar by age, gender, social grade, TV type, area, country

Incidence of 'too slow' connection higher for...

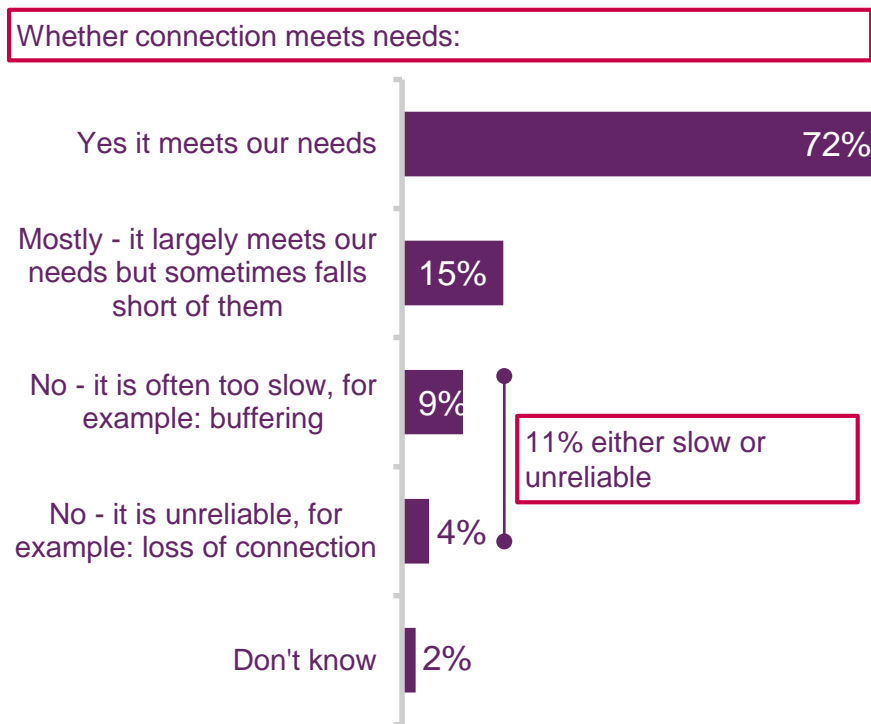
- Connection type = standard (14%) vs. 6% superfast
- Sky (11%), TalkTalk (13%) vs. Virgin Media (5%)
- 'Happens a lot' for HBW use (any) 12% vs 'never/ DK' (7%)
- Switch considerers 43% vs. 4% did not consider

Source: Is the speed of service you receive from your fixed broadband service sufficient for your household, ie are you able to do the activities you want to with it?

Base: All UK adults with fixed BB connection who have responsibility for it - 1263

Superfast connected residential customers are more likely to find it meets their needs than standard connections

Connection sufficiency



Whether connection meets needs cut by connection type:

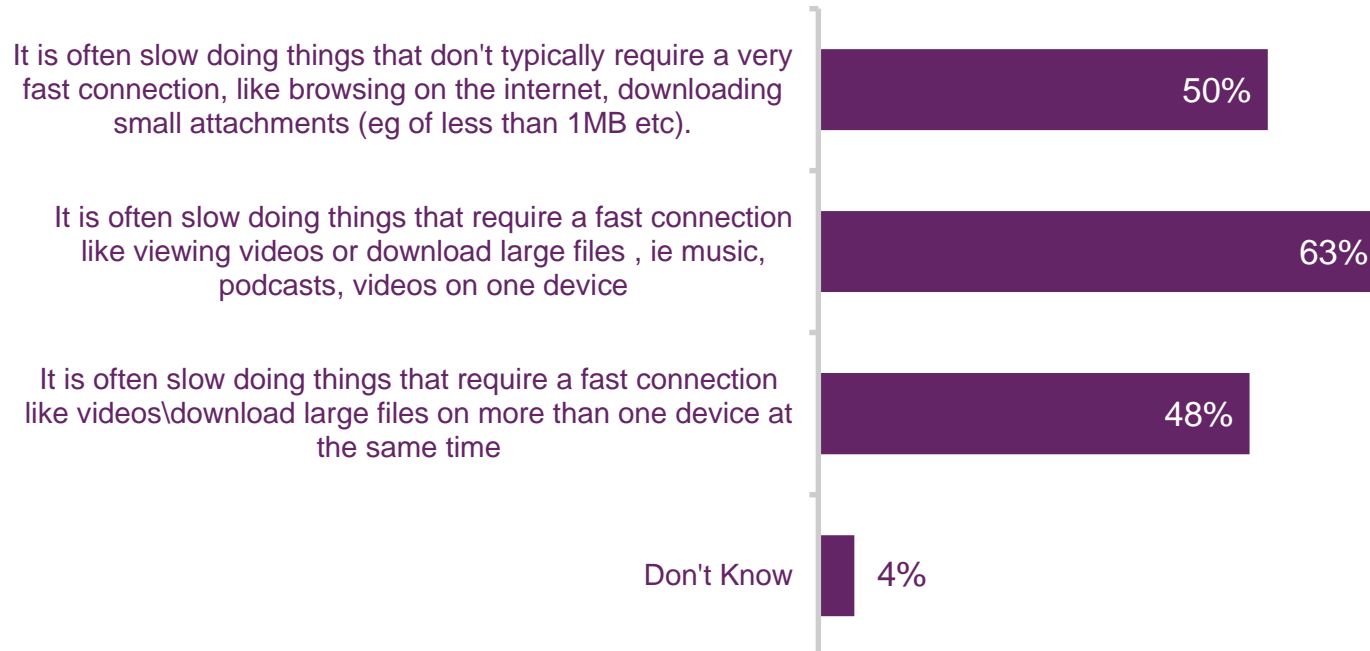
	Standard	Superfast	DK
Yes it meets our needs	68%	76%	67%
Mostly – it largely meets our needs but sometimes falls short of them	15%	15%	18%
No – it is often too slow, for example: buffering	14%	6%	7%
No – it is unreliable, for example: loss of connection	4%	3%	4%
Don't know	2%	2%	8%

Source: Is the speed of service you receive from your fixed broadband service sufficient for your household, ie are you able to do the activities you want to with it?
 Base: All UK adults with fixed BB connection who have responsibility for it – 1263, Standard – 604, Superfast – 594, DK – 65



When service is 'too slow' for residential customers this is often not just for activities which require high bandwidth

When service found to be 'too slow'



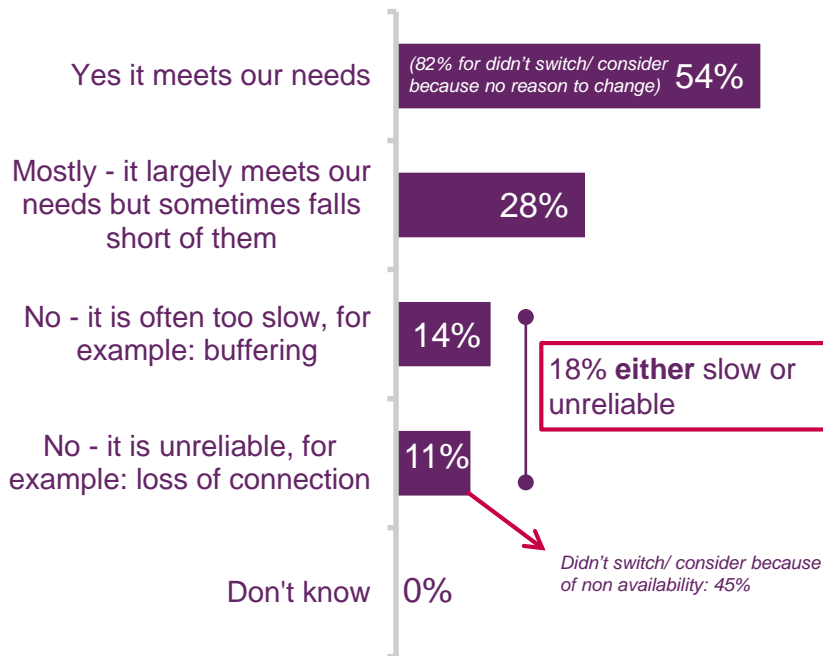
Source: Why do you find that the service you receive often too slow?
 Base: All UK adults with fixed BB connection that find it is often too slow - 115

Just over half (54%) of SMEs considered that their fixed broadband service meets their needs

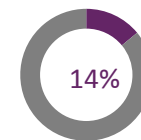
Connection sufficiency



Whether connection meets needs:



More detail about those considering their connection too slow:



14% find connection 'often too slow':

Incidence of 'too slow' connection similar by type of product used. Provider split too low for other than BT to include

More report connection as too slow with:

- Connection type = standard (20%) vs. 6% superfast
- Up to 30Mb/s = 23%, Over 30Mb/s = 5%
- 'Happens a lot' for HBW simultaneous use (any) 18% vs 'never/ DK' (9%)
- Switch considers 27% vs. 6% did not consider

Not statistically significant

Source: Is the speed of service you receive from your fixed broadband service sufficient for your household, ie are you able to do the activities you want to with it?

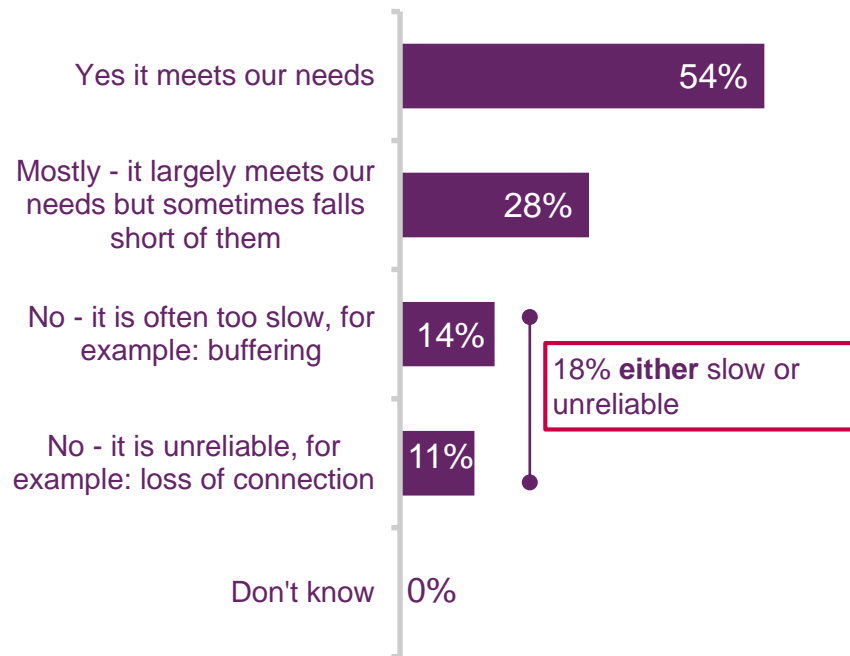
Base: All SMEs with fixed BB connection - 516

Superfast connected SMEs more likely to indicate connection 'meets their needs'

Connection sufficiency



Whether connection meets needs:



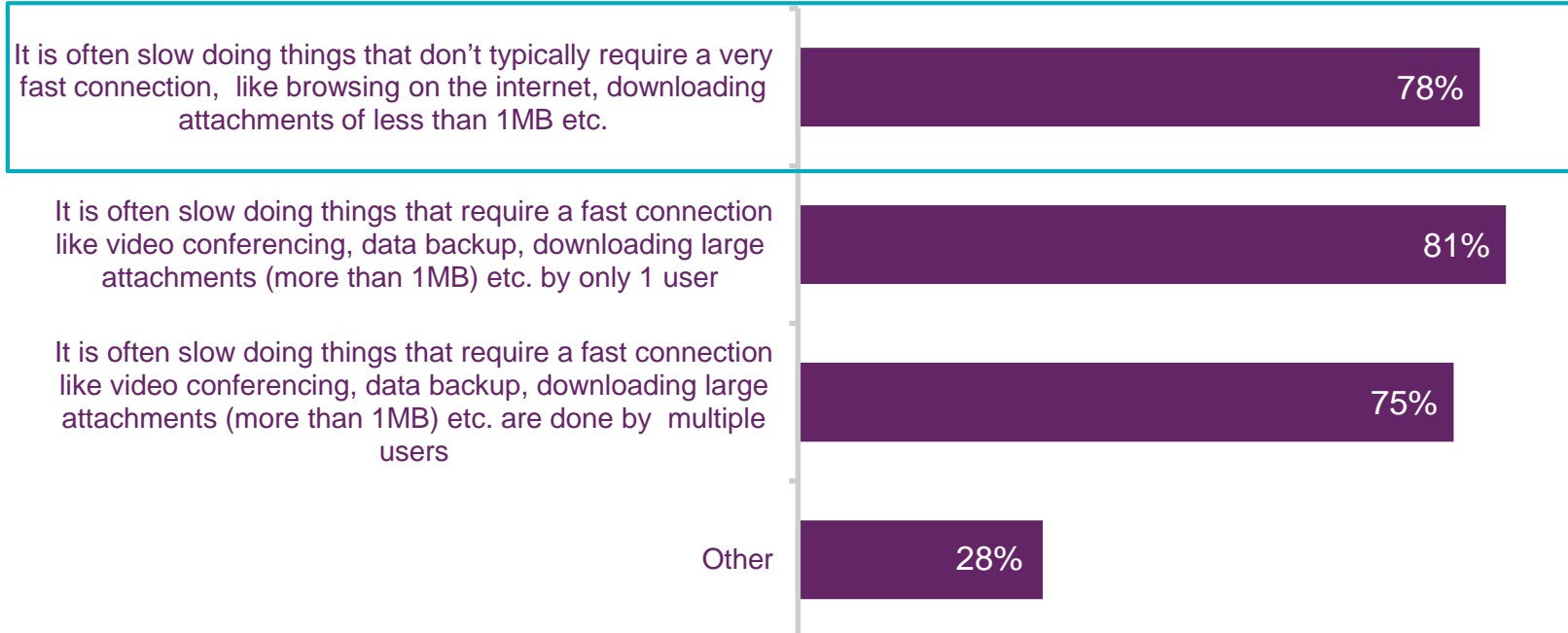
Split by speed of connection:

	Standard	Superfast
Yes it meets our needs	44%	68%
Mostly – it largely meets our needs but sometimes falls short of them	30%	25%
No – it is often too slow, for example: buffering	20%	6%
No – it is unreliable, for example: loss of connection	18%	2%
Don't know	-	-

Source: Is the speed of service you receive from your fixed broadband service sufficient for your household, ie are you able to do the activities you want to with it?
 Base: All SMEs with fixed BB connection - 516

When service is 'too slow' for SMEs its often not just for activities which require high bandwidth

When service found to be 'too slow'

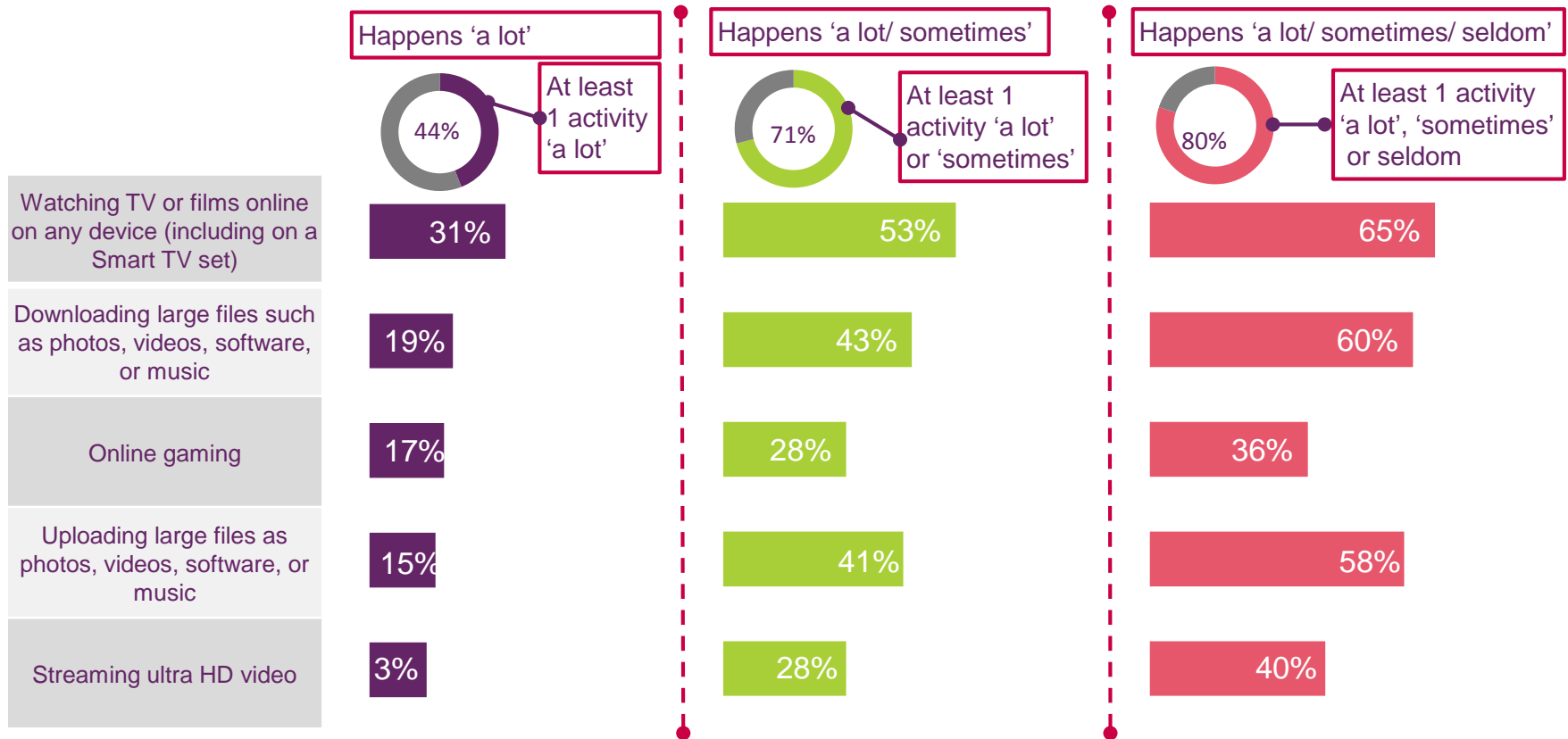


Source: Why do you find that the service you receive often too slow?
 Base: All SMEs with fixed BB connection that find it is often too slow - 76

High bandwidth usage

Two in five (44%) residential customers say they use their connection for at least one activity 'a lot'

Whether use fixed broadband connection for each types of activity 'a lot', 'a lot/ sometimes' or 'a lot/ sometimes/ seldom'

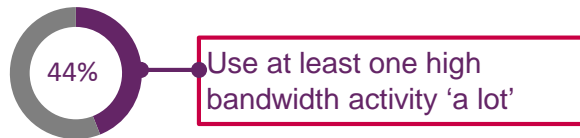


Source: How often is your fixed broadband connection used for the following activities? Please include use by anyone in your household, not just yourself
 Base: All UK adults with fixed BB connection who have responsibility for it - 1263

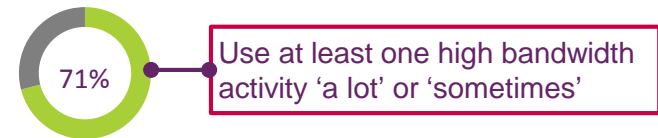
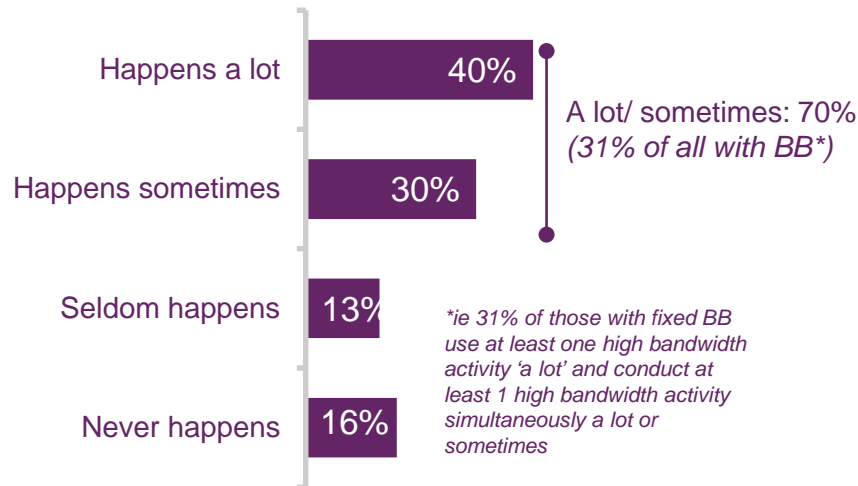


Usage of activities requiring HBW happens 'a lot' for 40% of those who typically conduct those activities 'a lot'

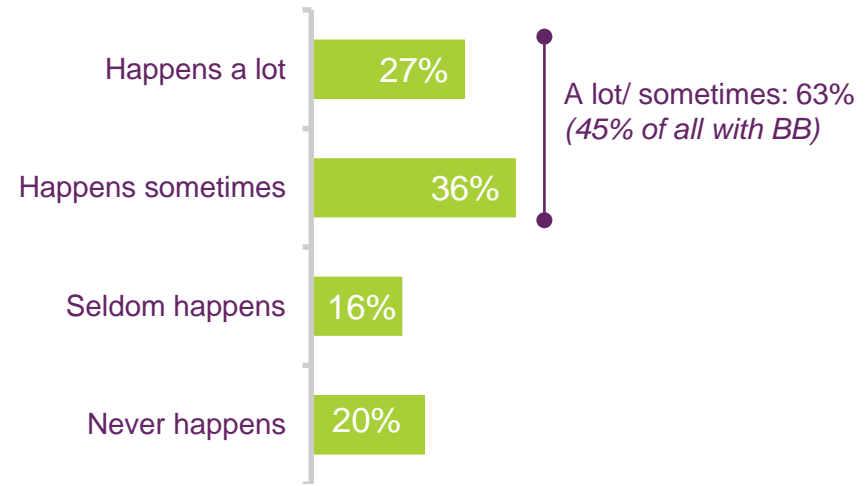
Simultaneous usage of high bandwidth activities



Proportion of above who conduct at least 1 high bandwidth activity **simultaneously**:



Proportion of above who conduct at least 1 high bandwidth activity **simultaneously**:



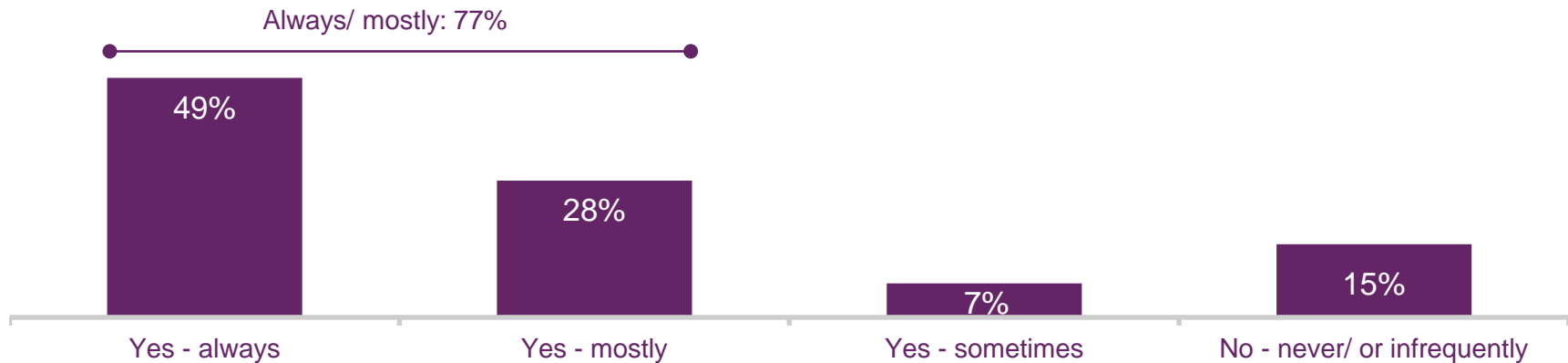
Source: Thinking about [INSERT] and [INSERT2] and [INSERT3] and [INSERT4] and [INSERT5] in your household, how frequently do these kind of activities happen in your household at the same time as one another? This could be the same activity or different activities at the same time.

Base: All UK adults with fixed BB connection that use for activities which require a high bandwidth - 845

Connection quality of speed is 'always' satisfactory for half of residential customers using their high bandwidth connection 'a lot' simultaneously



Whether satisfied with the quality of speed of connection with simultaneous HBW 'a lot'



No difference by gender, social grade
 Bases too small to compare for age, region, HH size, supplier

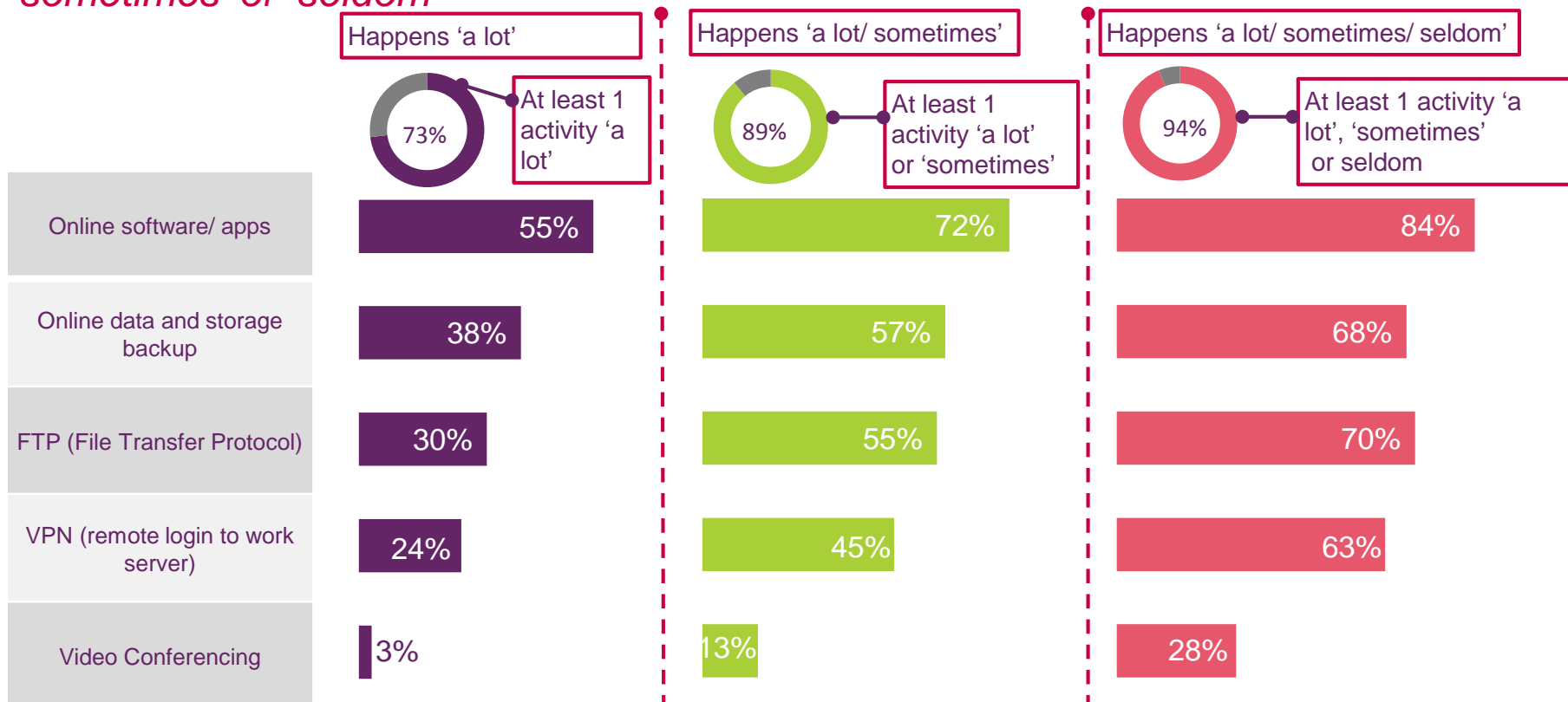
Always	Always/ mostly
Standard: 39%	Standard: 64%
Superfast: 52%	Superfast: 83%

Source: And are you satisfied with the quality of speed of the connection while conducting these activities simultaneously?
 Base: All UK adults with fixed BB connection that conduct activities with HBW simultaneously 'a lot': 222

3 in 4 SMEs use their fixed broadband connection ‘a lot’ for at least one type of activity requiring a high bandwidth connection



Whether use fixed broadband connection for each types of activity ‘a lot’, ‘sometimes’ or ‘seldom’

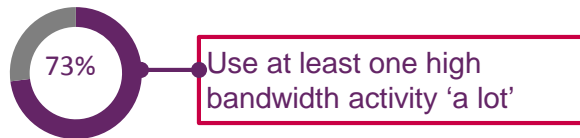


NB: these options are shortened for ease of reading on the chart. For full detail provided to respondents please see questionnaire

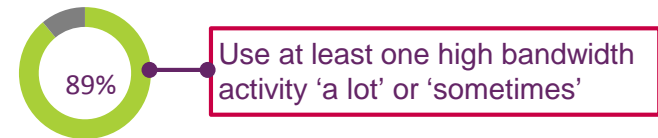
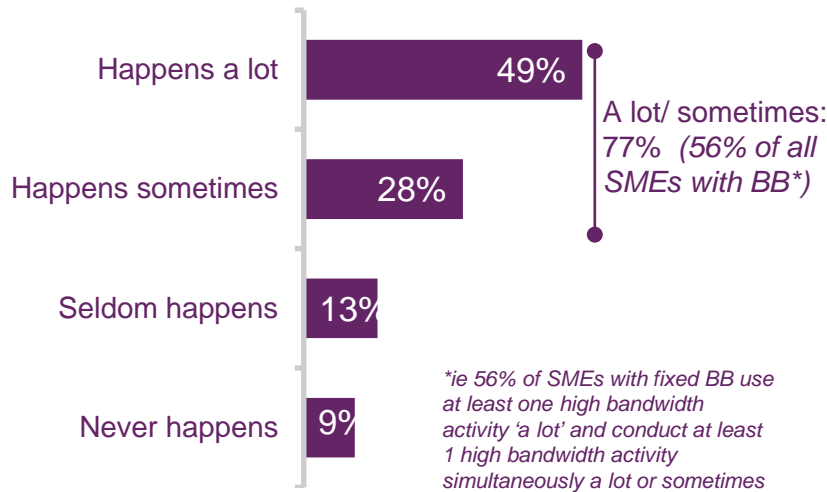
Source: How often is your fixed broadband connection used for the following in your business?
 Base: All SMEs with fixed broadband - 516

70% of SMEs conducting HBW activities 'a lot' or 'sometimes' are doing so simultaneously 'a lot' or 'sometimes'

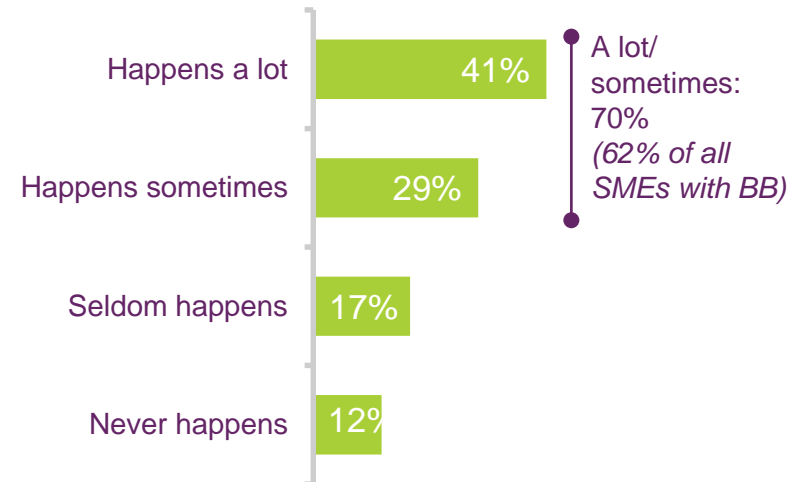
Simultaneous usage of high bandwidth activities



Proportion of above who conduct at least 1 high bandwidth activity **simultaneously**:



Proportion of above who conduct at least 1 high bandwidth activity **simultaneously**:



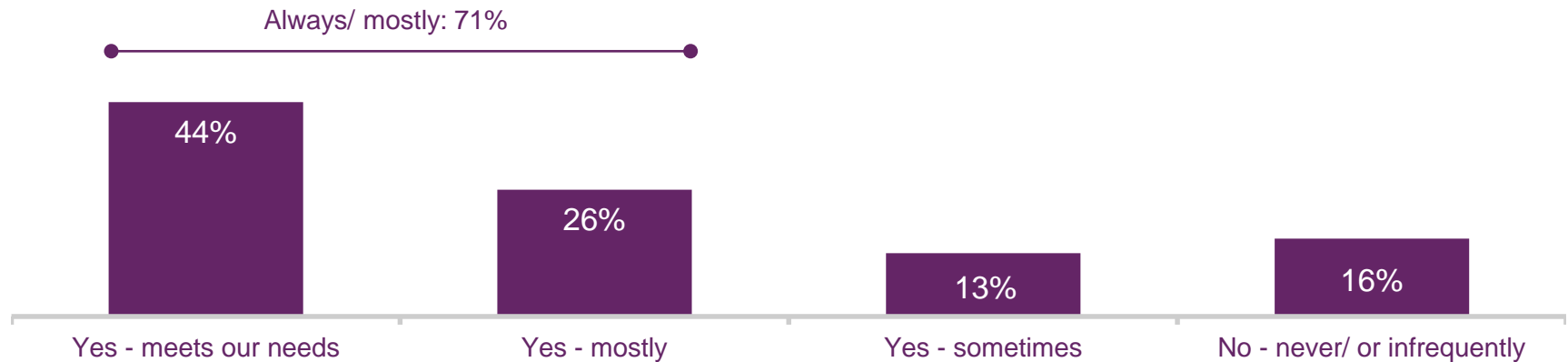
Source: Thinking about [INSERT] and [INSERT2] and [INSERT3] and [INSERT4] and [INSERT5] in your business, how frequently do these kind of activities happen in your business at the same time as one another? This could be the same activity or different activities at the same time.

Base: All SMEs who use their fixed broadband for activities which require a high bandwidth: A lot – 363/ A lot/ sometimes - 453

7 in 10 SMEs undertaking HBW activities ‘a lot’ consider their internet connection always or mostly met their needs



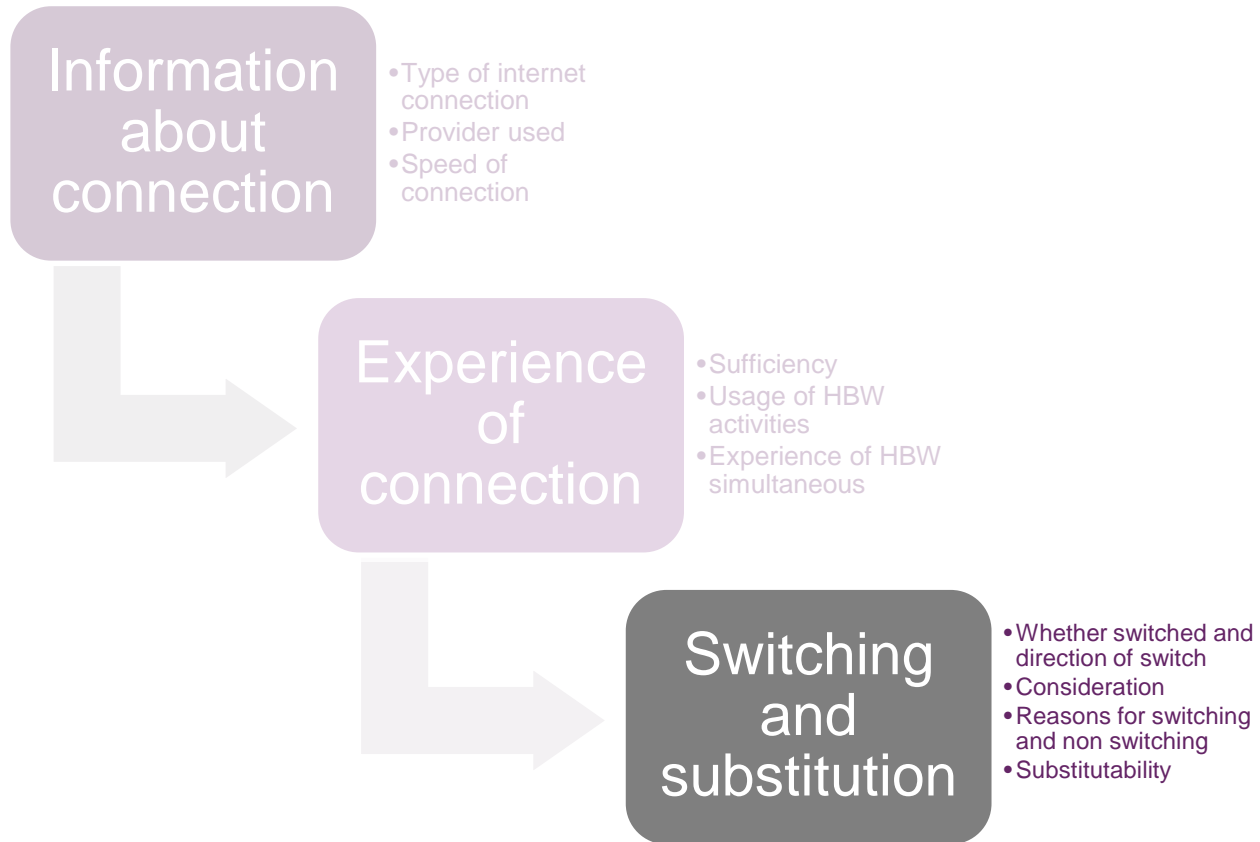
Quality of speed of connection with simultaneous HBW ‘a lot’



Always	Always/ mostly
Standard: 24% Superfast: 62%	Standard: 54% Superfast: 85%

Source: And are you satisfied with the quality of speed of the connection while conducting these activities simultaneously?
Base: All SMEs fixed BB connection that conduct activities with HBW simultaneously 'a lot': 176

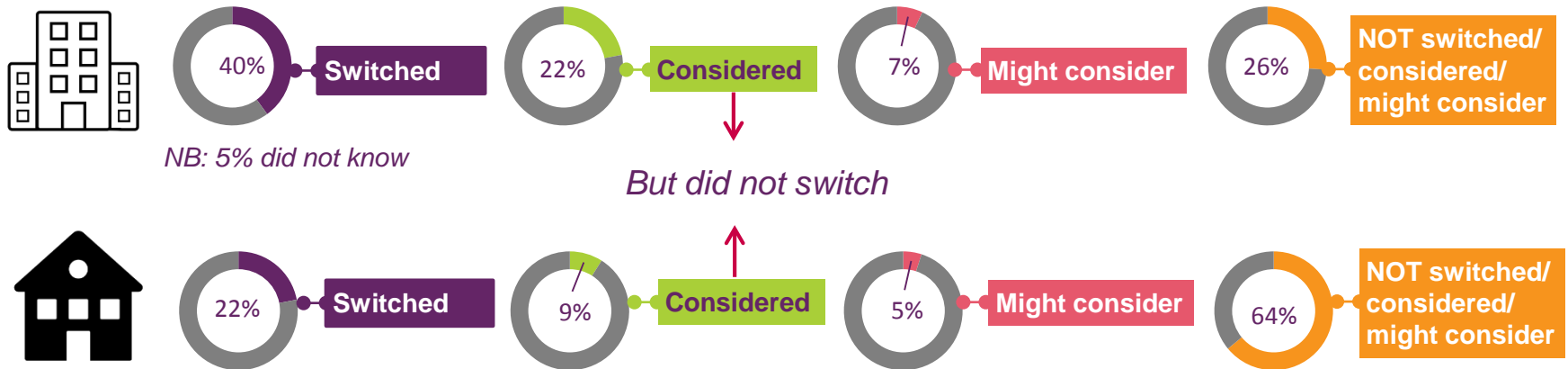
Contents



Switching and considering switching

4 in 10 SMEs have switched speed, twice the proportion of residential customers

*Switching/ consideration **summary** in last 2 years*



More detail on the direction and means of switch/ consideration of switch and reasons for switching/ considering/ not considering in the next slides

Source: Has your business recently (ie within the last 2 years) changed the speed of its fixed broadband service. This could be either changing to a different speed or plan with your existing provider, OR moving to a completely different provider. / To what extent have you considered changing the speed of your fixed broadband service in the last 2 years? Again this could be thinking about changing to a different speed or plan with your existing provider, OR moving to a completely different provider.

Base: All SMEs with fixed broadband – 516/ All residential

Source: Have you or your household recently changed the speed of your fixed broadband service, ie within the last 2 years? This could be either changing to a different speed or plan with your existing provider, or moving to a completely different provider. / To what extent have you considered changing the speed of your fixed broadband service in the last 2 years? Again this could be thinking about changing to a different speed or plan with your existing provider, or moving to a completely different provider.

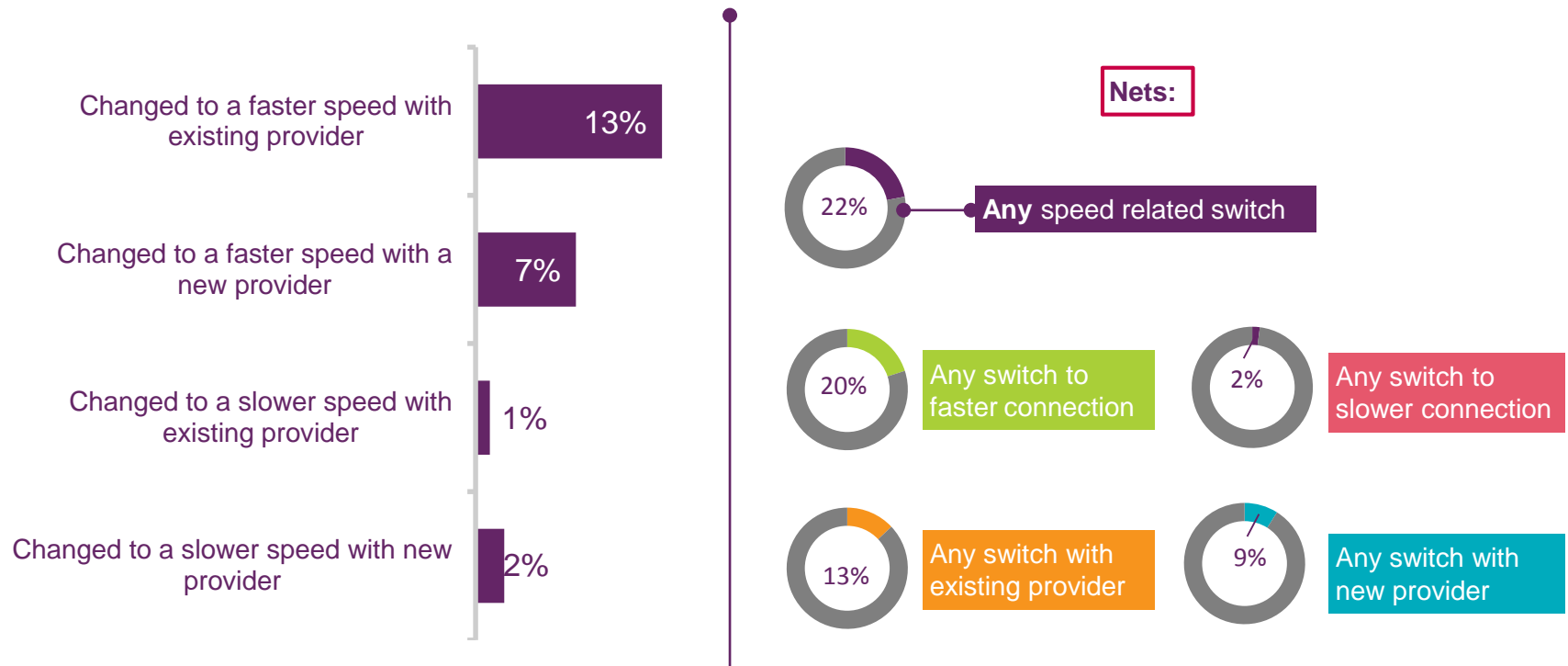
Base: All UK adults with fixed BB connection who have responsibility for it - 1263

Incidence of switching



For residential customers the direction of change is again almost always upwards

Whether switched to a different speed in the last 2 years



NB: these options are shortened for ease of reading on the chart. For full detail provided to respondents please see questionnaire

Source: Have you or your household recently changed the speed of your fixed broadband service, ie within the last 2 years? This could be either changing to a different speed or plan with your existing provider, or moving to a completely different provider.

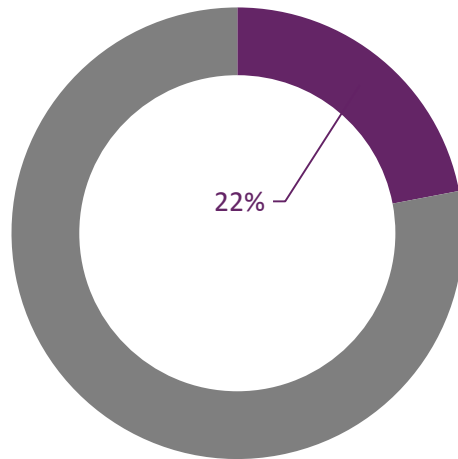
Base: All UK adults with fixed BB connection who have responsibility for it - 1263



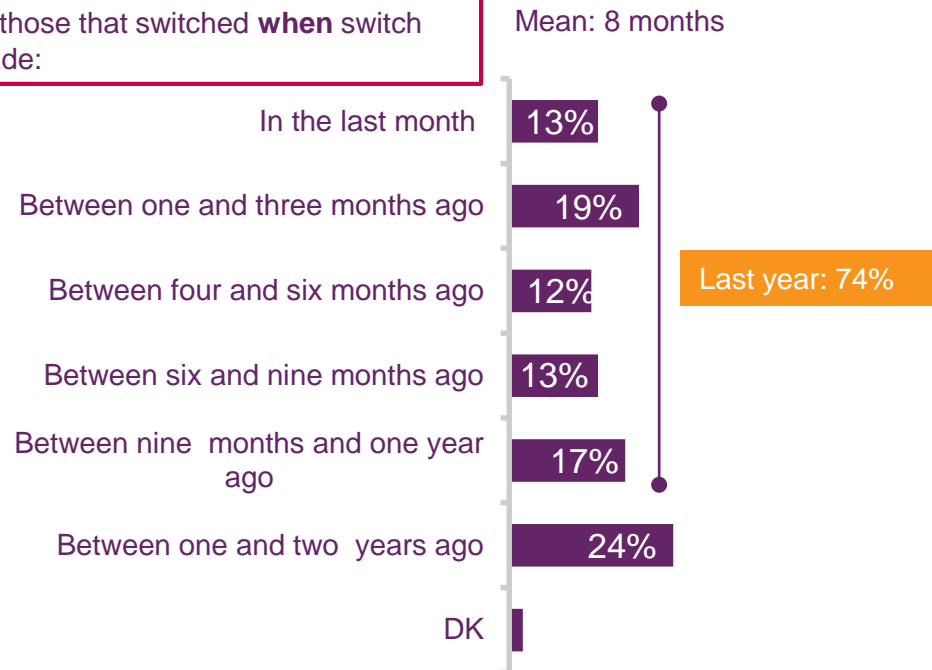
74% of residential customers who made a switch did so in the past year

When made switch

Proportion made speed related switch in last 2 years:



Of those that switched **when** switch made:



Source: When did this change occur?

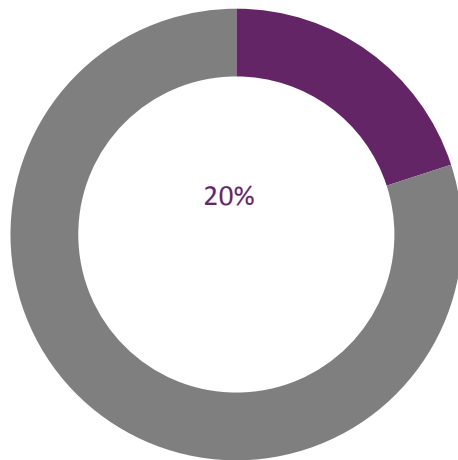
Base: All UK adults with fixed BB connection who have made a speed related switch in the past 2 years - 256



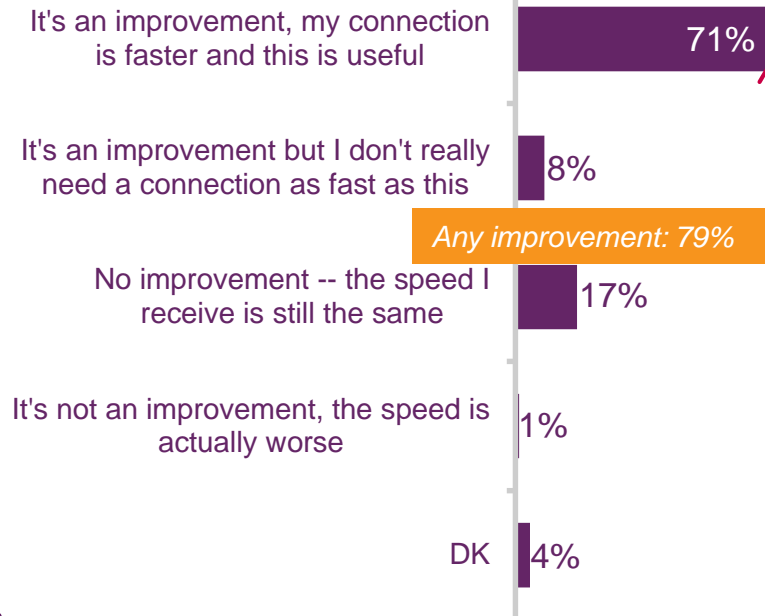
Most residential customers (79%) who upgraded saw an improvement

Whether upgrade in speed was an improvement

Proportion making **any faster** speed related switch in last 2 years



Of those changing for faster speed, whether switch for speed **made an improvement**



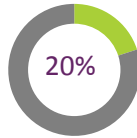
	Same provider	New provider
It's an improvement, my connection is faster and this is useful	67%	79%
It's an improvement but I don't really need a connection as fast as this	10%	3%
No improvement -- the speed I receive is still the same	18%	15%
It's not an improvement, the speed is actually worse	1%	-
DK	5%	3%

Source: You said you had changed to a faster broadband speed to what extent has this been an improvement?

Base: All UK adults with fixed BB connection who changed to a faster BB in the past 2 years – 229/ Same provider – 147, New provider - 82

Residential customers upgrading their broadband connection were more likely to be heavy HBW users. For SMEs it was higher for those who used their connection for HBW activities simultaneously ‘a lot’

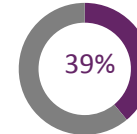
Proportion making a faster speed related switch



Proportions of subgroups making a faster speed related switch:

- 35-54 age group: 24%, 16-34: 15%
- Social grades ABC1: 23%, C2DE: 16%
- 2+ in HH: 21% ,1 in HH 14%
- Conurbation: 15%, Urban: 21%, Rural: 23%
- *Region range: 10% Y&H to 30% WM /43 % Wales but base <100)*
- *BT: 25%, Sky: 12%, VM 28%, TT: 15%*
- Standard: 5%, Superfast: 34%
- HBW usage ‘a lot’: 29%, Never/ DK: 7%

Proportion making a faster speed related switch



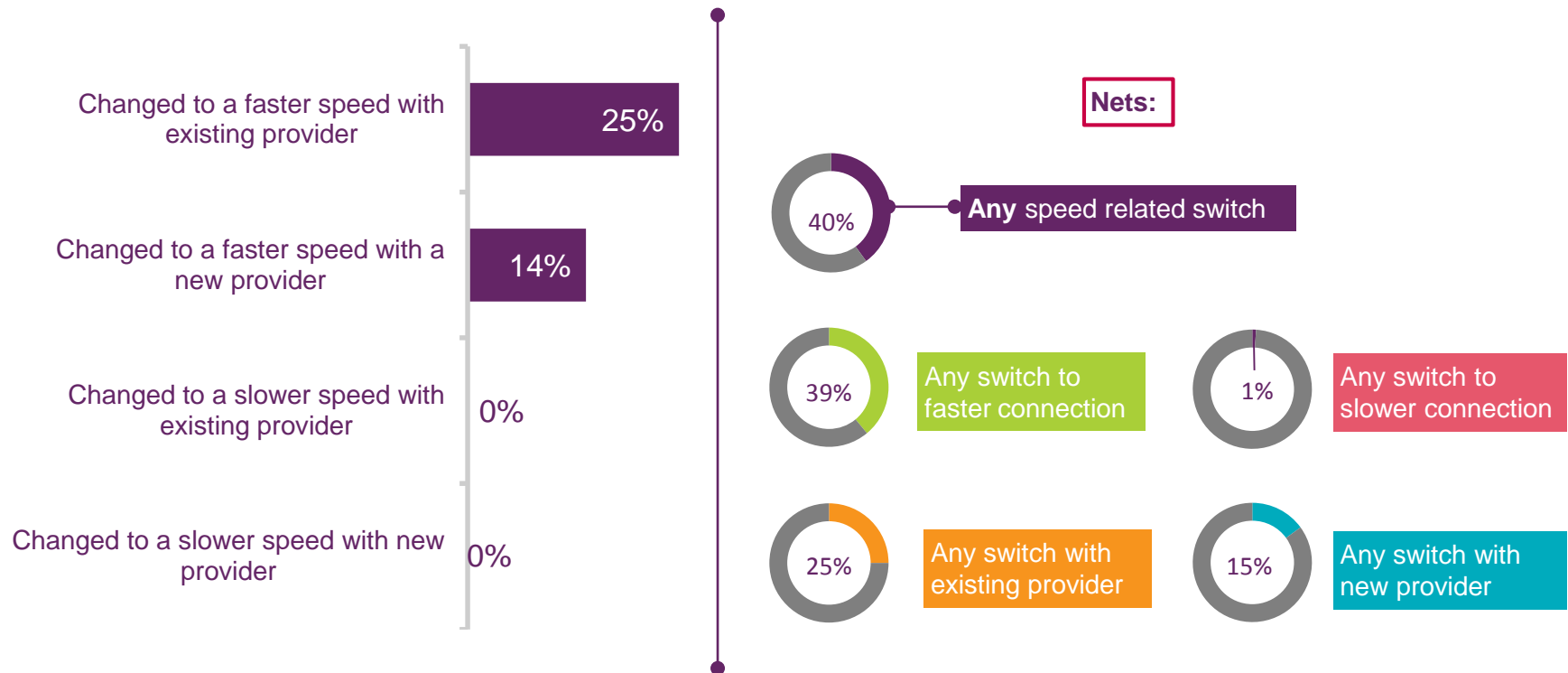
Proportions of subgroups making a faster speed related switch:

- Standard: 18%, Superfast/ Cable: 70%
- Up to 30 Mb/s: 32%, >30 Mb/s: 72%
- Meets needs: Yes: 46%, Slow/ Unreliable: 22%
- HBW simultaneous use ‘a lot’: 49%, Seldom/ Never/ DK:26%
- Satisfaction with simultaneous use: Always: 63%, Sometimes/ not: 25%

Source: To what extent have you considered changing the speed of your fixed broadband service in the last 2 years? Again this could be thinking about changing to a different speed or plan with your existing provider, or moving to a completely different provider.
 Base: All UK adults with fixed BB connection who have responsibility for it - 1263

Where SMEs make a change of speed the direction is almost always upwards

Whether switched to a different speed in the last 2 years



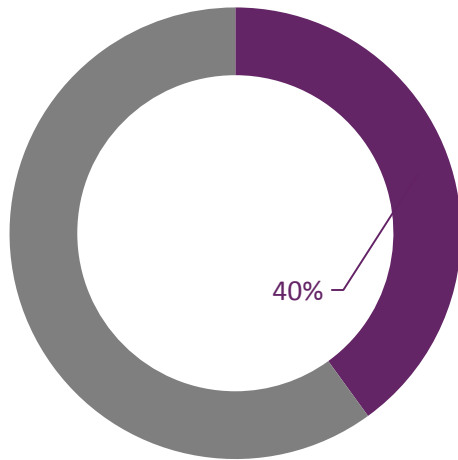
Source: Has your business recently (ie within the last 2 years) changed the speed of its fixed broadband service. This could be either changing to a different speed or plan with your existing provider, OR moving to a completely different provider.
 Base: All SMEs with fixed broadband - 516

63% of SMEs that made a change to their broadband speed did so in the last year

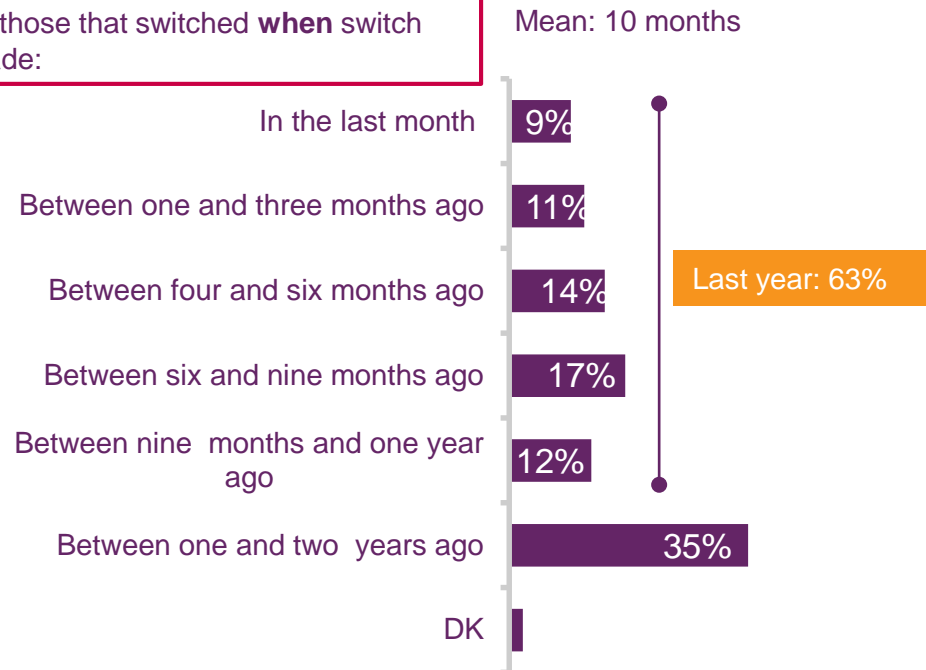
When made switch



Proportion made speed related switch in last 2 years:



Of those that switched **when** switch made:



Source: When did this change occur?

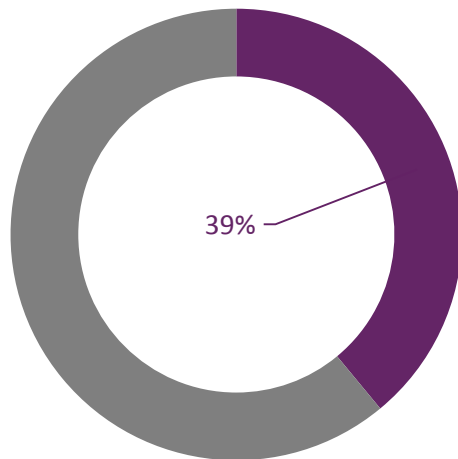
Base: SMEs with a fixed BB connection who have made a speed related switch in the past 2 years - 201

Most SMEs (85%) that upgraded their broadband speed found the change made an improvement

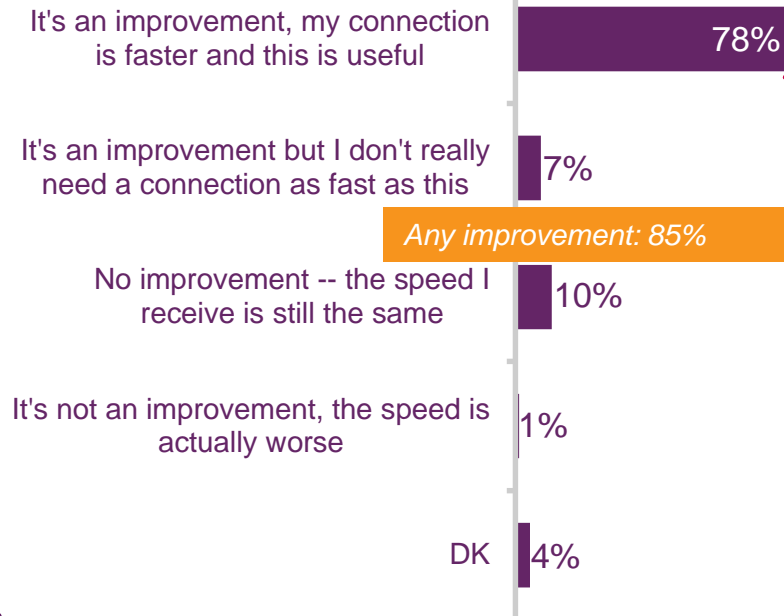
Whether upgrade in speed was an improvement



Proportion making **any faster** speed related switch in last 2 years



Of those changing for faster speed, whether switch for speed **made an improvement**



	Same provider	New provider
It's an improvement, my connection is faster and this is useful	79%	75%
It's an improvement but I don't really need a connection as fast as this	6%	9%
No improvement -- the speed I receive is still the same	12%	8%
It's not an improvement, the speed is actually worse	1%	1%
DK	2%	7%

Source: You said you had changed to a faster broadband speed to what extent has this been an improvement?

Base: All SMEs with fixed BB connection who changed to a faster BB in the past 2 years – 197/ Same provider – 123, New provider - 74

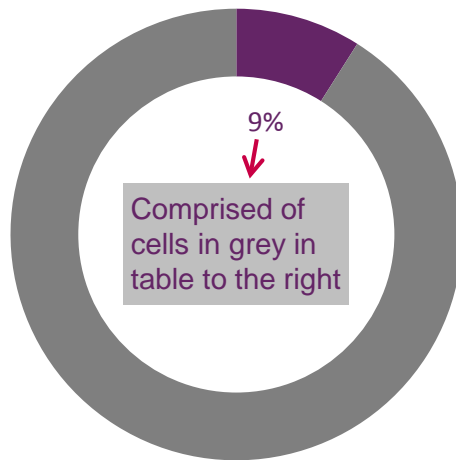
Incidence of considering (but not switching)



9% of residential customers considered making a speed related switch in the last 2 years but did not do so

Whether considered a switch to a different speed in the last 2 years

Proportion indicating **any consideration*** of speed related switch in last 2 years



Extent to which residential customers considered a faster or slower fixed broadband connection change

	Faster	Slower
Seriously considered and investigated (& not switched)	3%	-
Considered but haven't looked in a lot of detail (& not switched)	5%	1%
<i>Might like to change but haven't got around to looking into it (& not switched)</i>	4%	1%
	<i>Not classed as a serious consideration</i>	
Not considered in any way or switched	64%	
Switched	22%	

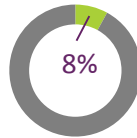
*does not include 'might like to change'

Source: To what extent have you considered changing the speed of your fixed broadband service in the last 2 years? Again this could be thinking about changing to a different speed or plan with your existing provider, or moving to a completely different provider.

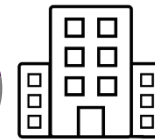
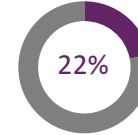
Base: All UK adults with fixed BB connection who have responsibility for it - 1263

Those upgrading and considering upgrading to a faster connection are more likely to be heavy HBW users

Proportion making a faster speed related switch consideration



Proportion making a faster speed related switch consideration



Proportions of subgroups considering switching their broadband to a faster speed::

- 35-54 age group: 9%, 16-34/ 55+: 6%/7%
- 2+ in HH: 8%, 1 in HH 5%
- Region range: 4% EM, 5% SE to 12% Scotland, 11% SW
- BT: 9%, Sky: 10%, VM 3%, TT: 8%
- Standard: 12%, Superfast: 3%
- HBW usage 'a lot': 10%, Seldom/ Never/ DK: 4%

Proportions of subgroups considering switching their broadband to a faster speed:

- Standard connection: 32%, Superfast: 8%
- Speed expected: <30Mb/s: 34%, >30Mb/s: 7%
- Meets needs: 9%, Mostly/ slow/ unreliable: 36%
- Satisfaction with simultaneous use – Always: 7%, Sometimes/ not: 48%
- Would consider other than fixed: 44%, would not: 17%
- Would consider consumer: 27% vs. 14% would not

Source: To what extent have you considered changing the speed of your fixed broadband service in the last 2 years? Again this could be thinking about changing to a different speed or plan with your existing provider, or moving to a completely different provider.

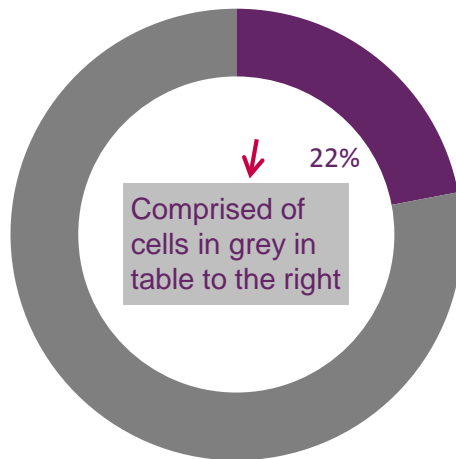
Base: All UK adults with fixed BB connection who have responsibility for it - 1263

22% of SMEs have considered (but not made) a change in broadband speed in the last 2 years

Whether considered a switch to a different speed in the last 2 years



Proportion indicating **any consideration*** of speed related switch in last 2 years



*does not include 'might like to change'

Extent to which SME customers considered a faster or slower fixed broadband connection change

	Faster	Slower
Seriously considered and investigated (& not switched)	14%	-
Considered but haven't looked in a lot of detail (& not switched)	7%	-
<i>Might like to change but haven't got around to looking into it (& not switched)</i>	6%	-
Not considered in any way or switched	<i>Not classed as a serious consideration</i> 26%	
Switched	40%	
Don't know	5%	

Source: To what extent have you considered changing the speed of your fixed broadband service in the last 2 years? Again this could be thinking about changing to a different speed or plan with your existing provider, or moving to a completely different provider.

Base: All SMEs fixed BB connection - 516

Reason for considering & switching



A faster connection followed by price are the main reasons for making or considering a switch in speed for residential customers

Reason for switch/ considering switch (ALL)

	Switched/ considered	Switched	Considered	Nets
I needed a faster broadband speed\My previous speed didn't meet my needs	42%	41%	45%	Speed
For a cheaper price\ deal	19%	20%	17%	Price
I had a bad experience with the speed I received from my previous provider \ current provider	14%	13%	16%	Speed
My existing service provider automatically 'upgraded' the service	9%	12%	-	Speed
The change was incidental when I changed other parts of my bundle with other services	5%	6%	1%	-
My previous provider \ current provider increased prices	5%	3%	10%	Price
My previous provider \ current provider decreased prices	2%	2%	2%	Price
Contract with previous provider ended	2%	2%	-	-
I changed to a new supplier recommended by someone I know	1%	2%	-	-
Other	11%	10%	14%	-
DK	2%	1%	3%	-

Source: Why did you change / consider changing the speed of your fixed broadband service? PROBE: Any other reasons?

Base: All UK adults with fixed BB connection who have made a speed related switch in the past 2 years or considered making one - 356

The top reason given by SMEs for changing their speed was to obtain a faster connection



Reason for switch/ considering switch (ALL)

	Switched/ considered	Switched	Considered	Nets
We required a faster broadband speed	69%	72%	64%	Speed
We had a bad experience with the speed we received from current/ previous provider	36%	35%	39%	Speed
For a cheaper price/ deal	29%	28%	31%	Price
The change was incidental to changes to other services	23%	26%	18%	-
Our contract term with our current provider ended or was coming up for renewal	22%	25%	17%	-
My existing service provider automatically 'upgraded' the service	8%	12%	-	-
My current/ previous provider decreased prices	8%	9%	7%	Price
My current/ previous provider increased prices	8%	8%	8%	Price
We changed to a new supplier recommended by someone we know	7%	11%	-	-
I looked on a price comparison site and found a better deal	6%	7%	5%	-
Other – specify (See next slide)	22%	24%	19%	-

Source: Why did you change / consider changing the speed of your fixed broadband service? PROBE: Any other reasons?

Base: All SMEs fixed BB connection who have made a speed related switch in the past 2 years or considered making one - 314

Customer service, availability of products and issues over reliability are some of the other reasons provided

Other reasons for considering/ switching broadband to a different speed



Bad service experience with B.T's customer service department

Fibre broadband FTTC became available on my street

I now have 3 internet connections so if one goes down we have backup

Incentives. they offered vouchers that part paid for change over

Our sister company already had a connection with a different provider and we decided we would go in with them

"Required better connectivity. before we felt the internet wasn't always available

The Location. we were not happy with the previous provider due to the lack of support

We moved. then a service that was faster was then available. Because we were connected to a different cabinet which was super fast enabled and the previous one was not. it was literally faster as me moved in

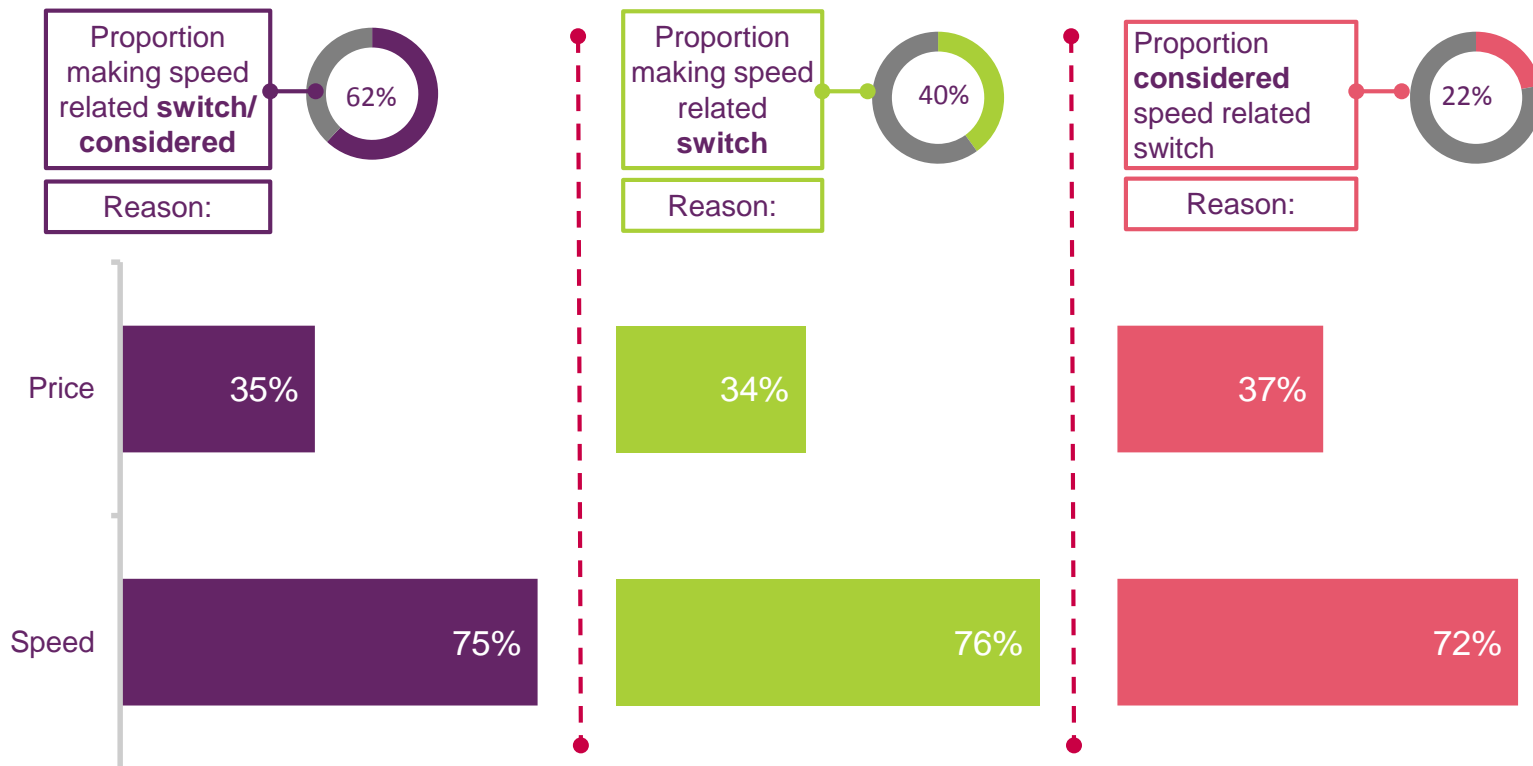
The reliability- we used to get a lot of buffering and kept losing connection 3-4 times a day

When we set up the business BT Infinity was not available here. When it was available we had decided we would like to upgrade to a faster speed as it would have been useful

At an overall net level it is reasons related to speed which are more common for SMEs in making and considering a switch than price



Reason for switch/ considering switch NETS (ALL)



Source: Why did you change / consider changing the speed of your fixed broadband service? PROBE: Any other reasons?

Base: All SMEs fixed BB connection who have made a speed related switch in the past 2 years or considered making one - 314 ,switched: 201, Considered: 113



Obtaining a faster connection the single largest factor for making or considering switch in speed for residential customers

Reason for switch/ considering switch (MAIN)

	Switched/ considered	Switched	Considered	Nets
I needed a faster broadband speed/ My previous speed didn't meet my needs	39%	37%	43%	Speed
For a cheaper price / deal	17%	18%	15%	Price
I had a bad experience with the speed I received from my previous provider / current provider	11%	10%	14%	Speed
My existing service provider automatically 'upgraded' the service	8%	12%	-	Speed
The change was incidental when I changed other parts of my bundle with other services	4%	5%	-	-
My previous provider / current provider increased prices	3%	2%	7%	Price
My previous provider / current provider decreased prices	2%	1%	2%	Price
Contract with current provider ended	2%	2%	-	-
I changed to a new supplier recommended by someone I know	1%	2%	-	-
Other	11%	10%	14%	-
DK	2%	1%	3%	-

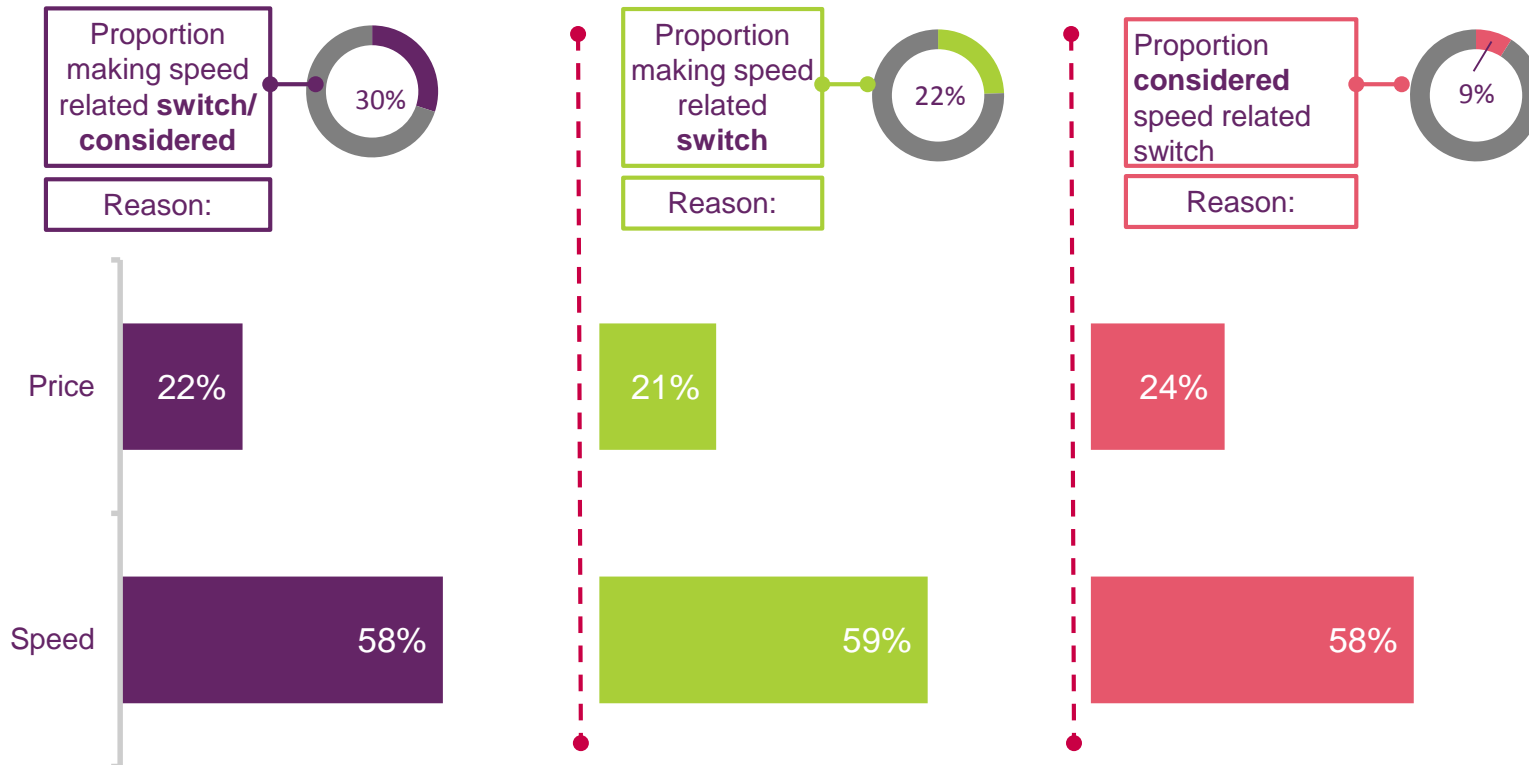
Source: Why did you change / consider changing the speed of your fixed broadband service? PROBE: Any other reasons?

Base: All UK adults with fixed BB connection who have made a speed related switch in the past 2 years or considered making one - 356



It is speed rather than price which is the main reason for switching for residential customers

Reason for switch/ considering switch NETS (MAIN)



Source: Why did you change / consider changing the speed of your fixed broadband service? PROBE: Any other reasons?

Base: All UK adults with fixed BB connection who have made a speed related switch in the past 2 years or considered making one - 356

Main reason for upgrading for SMEs was requiring a faster speed



Reason for switch/ considering switch (MAIN)

	Switched/ considered	Switched	Considered	Nets
We required a faster broadband speed	47%	45%	50%	Speed
For a cheaper price/ deal	10%	8%	12%	Price
We had a bad experience with the speed we received from my current/ previous provider	8%	6%	12%	Speed
Our contract term with our current provider ended or was coming up for renewal	6%	6%	5%	-
The change was incidental to changes to other services	6%	6%	4%	-
My existing service provider automatically 'upgraded' the service	4%	5%	-	-
My current/ previous provider decreased prices	1%	1%	1%	Price
We changed to a new supplier recommended by someone we know	1%	1%	-	-
My current/ previous provider increased prices	<0.5%	1%	-	Price
I looked on a price comparison site and found a better deal	<0.5%	<0.5%	--	Price
Other	15%	16%	12%	-

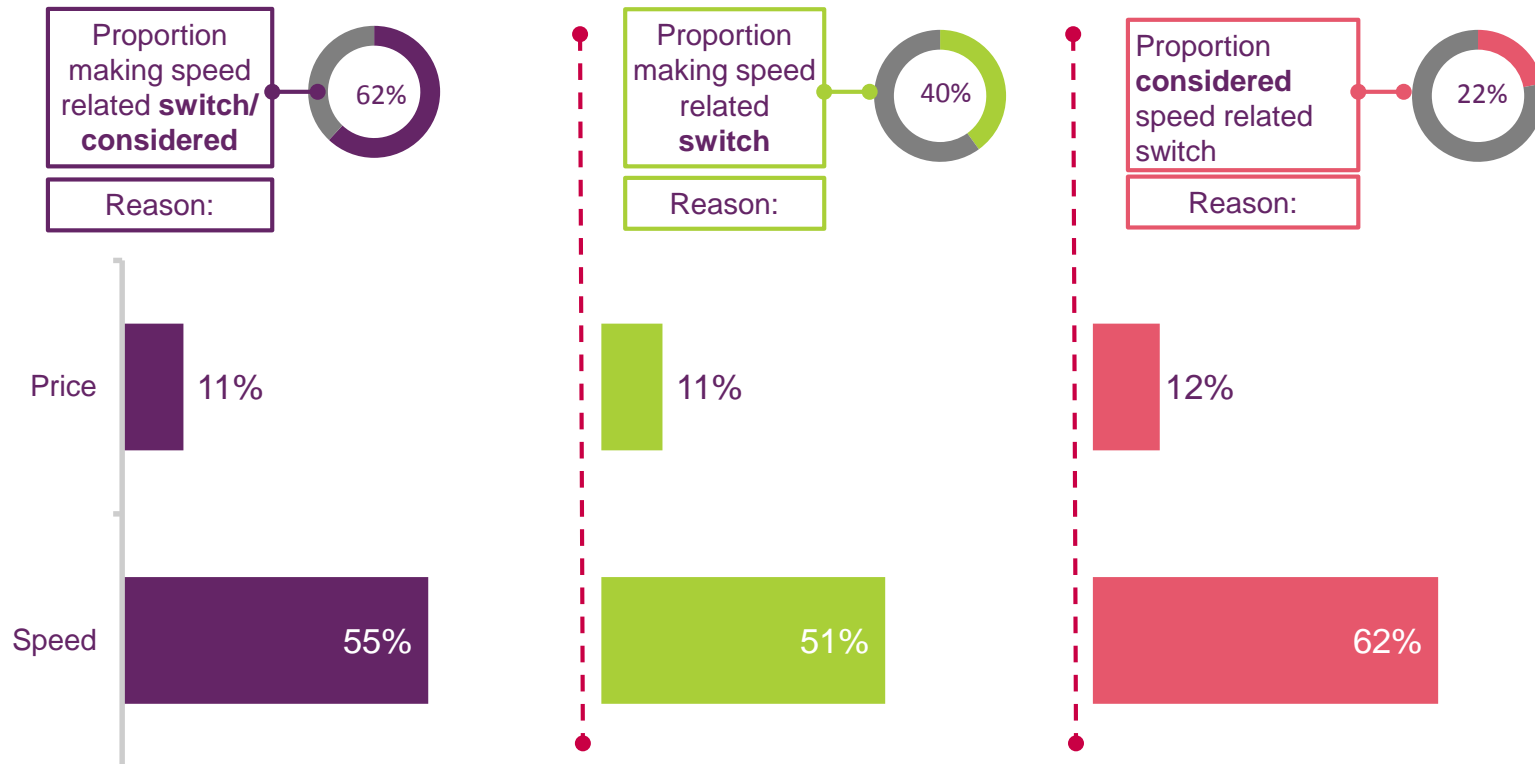
Source: Why did you change / consider changing the speed of your fixed broadband service? PROBE: Any other reasons?

Base: All SMEs fixed BB connection who have made a speed related switch in the past 2 years or considered making one - 314 switched: 201, Considered: 113



It is speed rather than price which is the main reason for switching

Reason for switch/ considering switch NETS (MAIN)



Source: Why did you change / consider changing the speed of your fixed broadband service? PROBE: Any other reasons?

Base: All SMEs fixed BB connection who have made a speed related switch in the past 2 years or considered making one - 314, switched: 201, Considered: 113

Reason for NOT switching



Having no reason to change/ being happy with the current service is the reason for just under half (47%) of residential customers not switching

Reason for not switching (ANY)

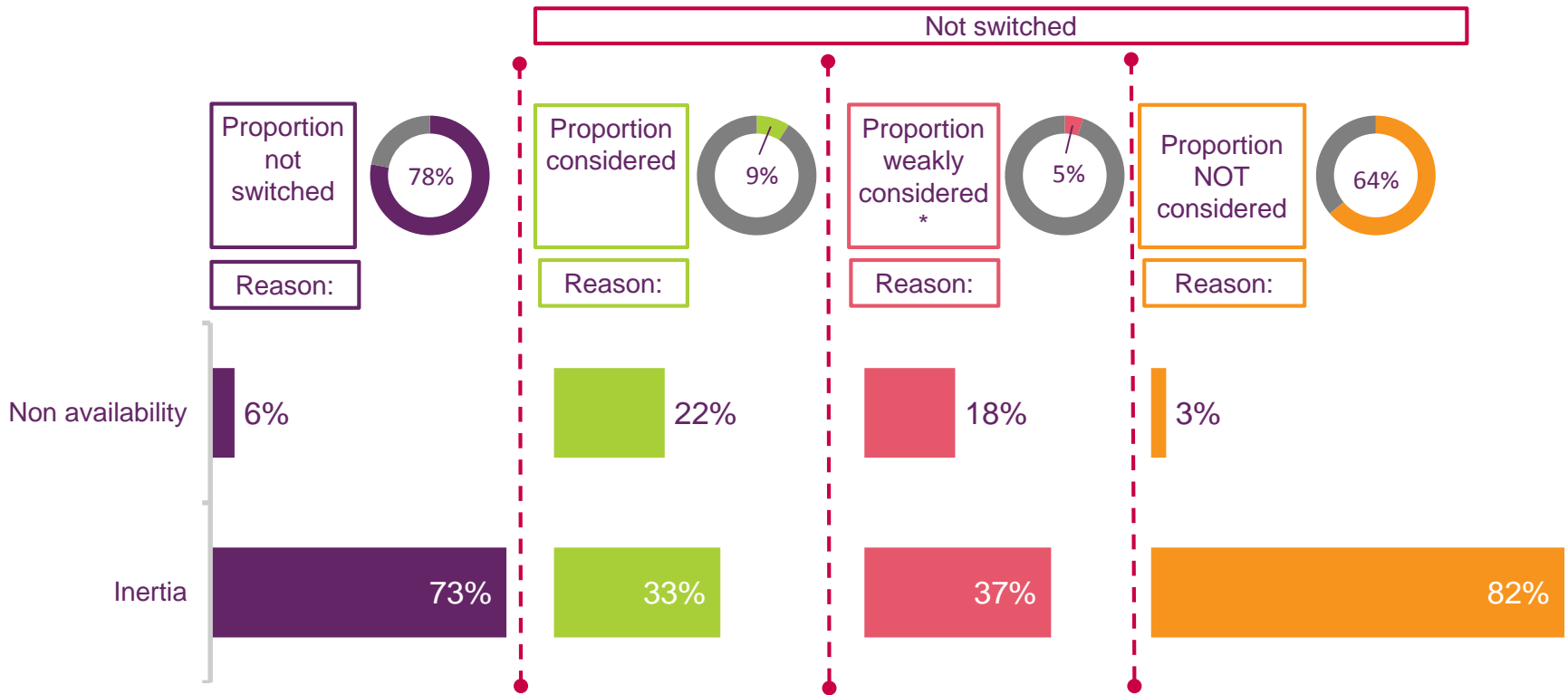
		Any not switched	Considered	Weakly considered*	Not considered
Inertia	No reason to change\happy with current service	47%	9%	14%	55%
	Just never thought about changing it	20%	6%	4%	24%
Non availability	Too difficult\too much hassle to change	9%	19%	20%	7%
	Broadband service I want is too expensive	4%	15%	16%	2%
	Would incur a cancellation fee with existing provider	3%	12%	10%	1%
	Broadband service I want is not available from any supplier	3%	6%	7%	2%
	I have no need because increasingly use internet via smartphone	3%	-	6%	3%
	Wanted a faster speed connection but wasn't available	2%	11%	5%	0
	Broadband service I want is not available from current supplier	2%	7%	8%	1%
	Worried about losing service during the switch	1%	2%	6%	1%
	Other	6%	13%	20%	4%

Source: You said you had considered but did not change/not considered/ not got around to considering the speed of your broadband service in the last 2 years ...why was this?
 Base: All UK adults with fixed BB connection who had not changed their fixed broadband – 1007, all considered – 100, weakly considered: 52*, did not consider – 836 *SMALL
 BASE = <100



Inertia more of a factor for those not considered switching. Non availability is an issue for 1 in 5 (22%) considerers

Net reasons for not switching (ANY)



Source: You said you had considered but did not change/not considered/ not got around to considering the speed of your broadband service in the last 2 years ...why was this?
Base: All UK adults with fixed BB connection who had not changed their fixed broadband – 1007, all considered – 100, weakly considered: 52*, did not consider – 836 *SMALL
BASE = <100

61% of those not changing the speed of their SMEs broadband service saw no reason to change/ were happy

Reason for not switching (ANY)



	Any not switched	Considered	Not considered	
Inertia	No reason to change / happy with current service	61%	27%	88%
	Just never thought about changing it	28%	7%	48%
	Too difficult / too much hassle to change	25%	28%	19%
Non availability	Wanted a faster speed connection but wasn't available	24%	53%	1%
	Broadband service I want is not available from current supplier	24%	41%	8%
	Broadband service I want is not available from any supplier	20%	33%	10%
	Worried about losing service during the switch	16%	18%	11%
	Would incur a cancellation fee with existing provider	16%	20%	10%
	Broadband service I want is too expensive	12%	24%	-
	I have no need because increasingly use internet over an alternative connection to our fixed broadband connection	10%	6%	14%
	I would have been happy to have a slower connection but this wasn't any cheaper	3%	1%	4%
	Maintaining other services I receive in other parts of my package is more important than changing my broadband to a slow	1%	1%	-
	Other	4%	7%	1%

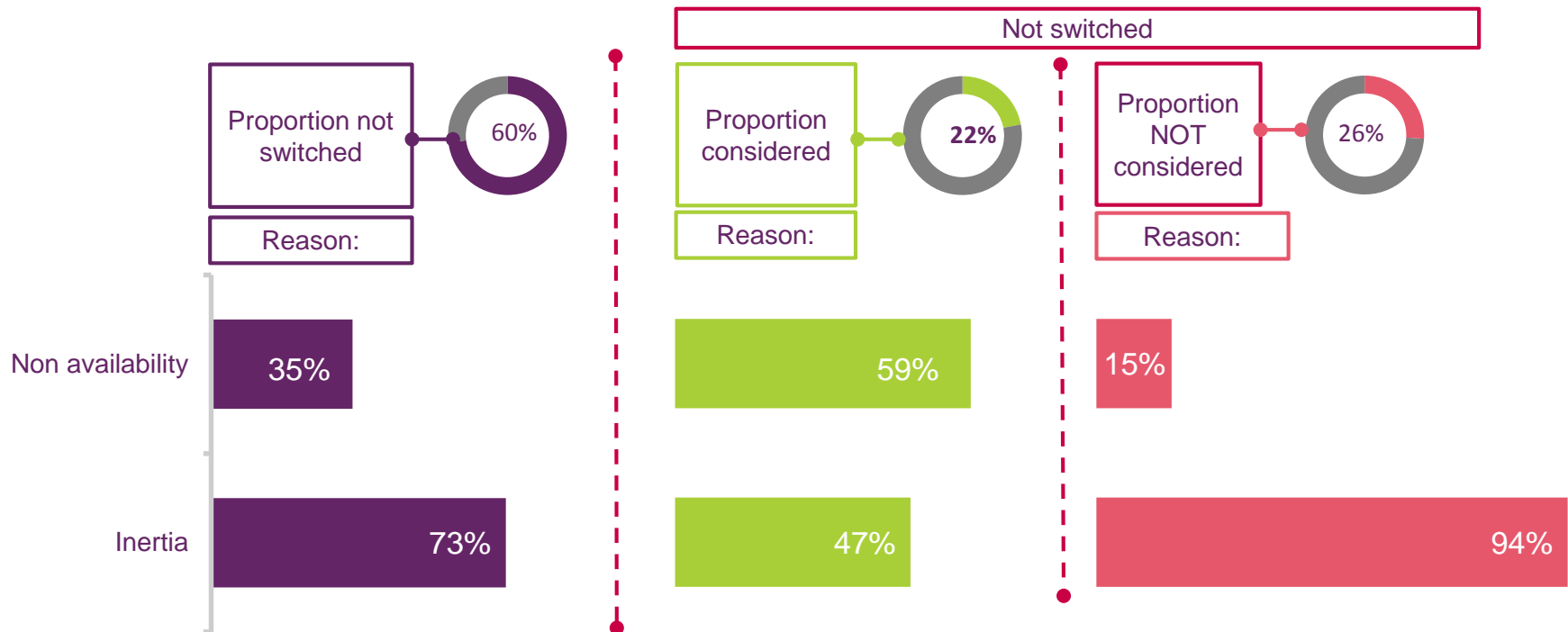
Source: Why did you not change / consider changing the speed of your fixed broadband service? PROBE: Any other reasons?

Base: All SMEs with fixed BB connection who had not changed their fixed broadband – 291, all considered – 113, did not consider – 143



Inertia is overall a more powerful factor than non-availability for SMEs who have not switched but not for those who considered but did not switch

Net reasons for not switching (ANY)



Source: Why did you not change / consider changing the speed of your fixed broadband service? PROBE: Any other reasons?
 Base: All SMEs with fixed BB connection who had not changed their fixed broadband – 291, all considered – 113, did not consider – 143



Having no reason to change/ being happy with the current service is the main reason for just under half of residential customers not switching

Reason for not switching (Main)

	Any not switched	Considered (& not switched)	Weakly considered* (& not switched)	Not considered (or switched)
Inertia				
No reason to change/ happy with current service	46%	9%	14%	54%
Just never thought about changing it	18%	6%	3%	21%
Non availability				
Too difficult/ too much hassle to change	7%	17%	19%	5%
Broadband service I want is not available from any supplier	3%	6%	7%	2%
Broadband service I want is too expensive	3%	15%	10%	1%
I have no need because increasingly use internet via smartphone	3%	-	2%	3%
Would incur a cancellation fee with existing provider	2%	12%	6%	1%
Broadband service I want is not available from current supplier	2%	6%	8%	1%
Worried about losing service during the switch	1%	2%	4%	0
Wanted a faster speed connection but wasn't available	1%	9%	3%	-
Other	6%	13%	20%	4%

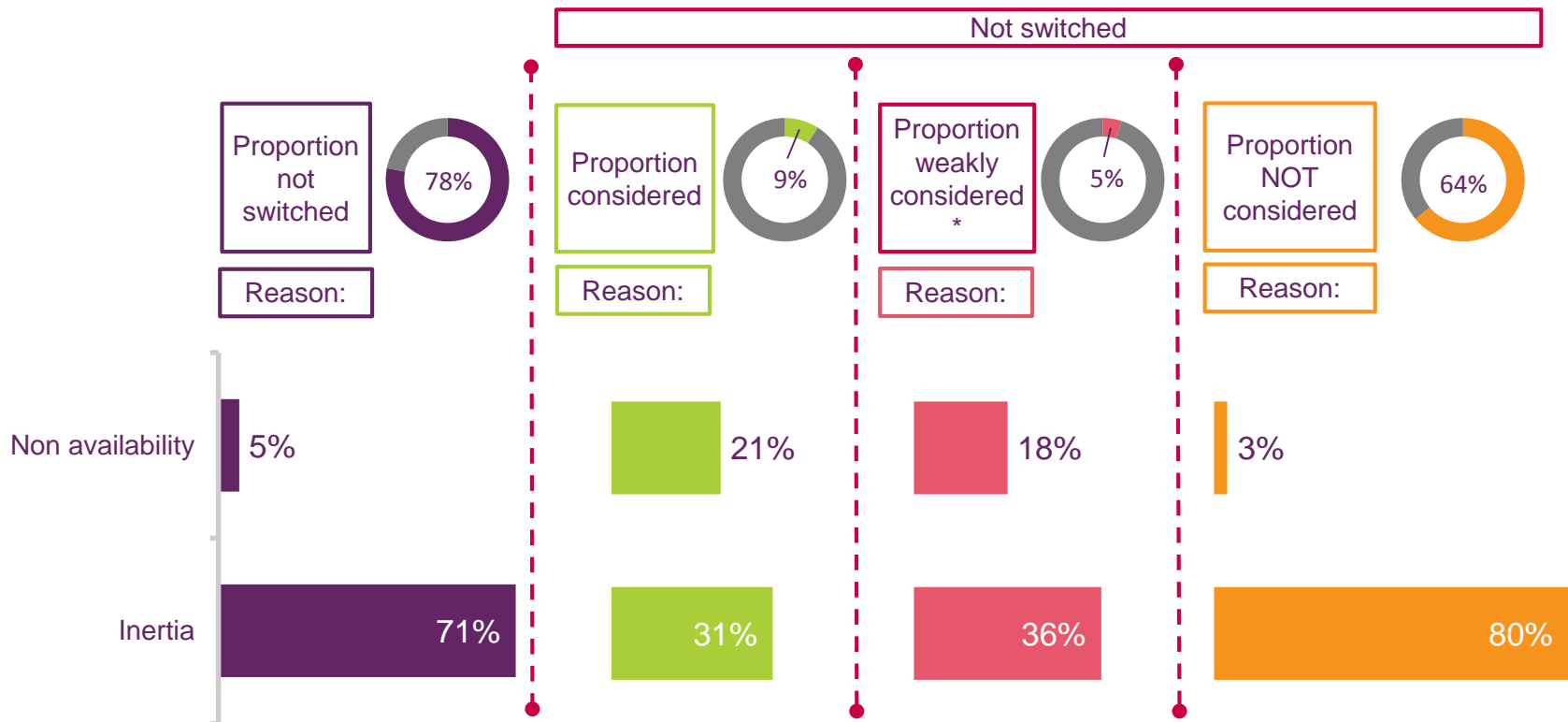
Source: Why did you change / consider changing the speed of your fixed broadband service? PROBE: Any other reasons?

Base: All UK adults with fixed BB connection who had not changed their fixed broadband – 1007, all considered – 100, weakly considered: 52*, did not consider – 836 *SMALL BASE = <100

Inertia more a factor for those not considered switching. Non availability is an issue for 1 in 5 (21%) considerers



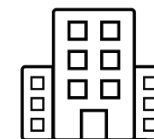
Net reasons for not switching (MAIN)



Source: You said you had considered but did not change/not considered/ not got around to considering the speed of your broadband service in the last 2 years ...why was this?
 Base: All UK adults with fixed BB connection who had not changed their fixed broadband – 1007, all considered – 100, weakly considered: 52*, did not consider – 836 *SMALL BASE = <100

For 44% of SMEs the single biggest reason for not switching is that there is no reason to do so/ that they are happy

Reason for not switching (Main)



	Any not switched	Considered (& not switched)	Not considered (or switched)
Inertia			
No reason to change / happy with current service	44%	10%	75%
Wanted a faster speed connection but wasn't available	9%	23%	1%
Broadband service I want is not available from any supplier	8%	11%	5%
Too difficult / too much hassle to change	7%	7%	5%
Non availability			
Broadband service I want is too expensive	6%	14%	-
Would incur a cancellation fee with existing provider	4%	7%	1%
Broadband service I want is not available from current supplier	4%	8%	1%
Just never thought about changing it	4%	2%	5%
Worried about losing service during the switch	2%	4%	1%
I have no need because increasingly use internet over an alternative connection to our fixed broadband	1%	-	1%
I would have been happy to have a slower connection but this wasn't any cheaper	<0.5%	1%	-
Maintaining other services I receive in other parts of my package is more important than changing my broadband to a slow	-	-	-
Other	3%	6%	1%

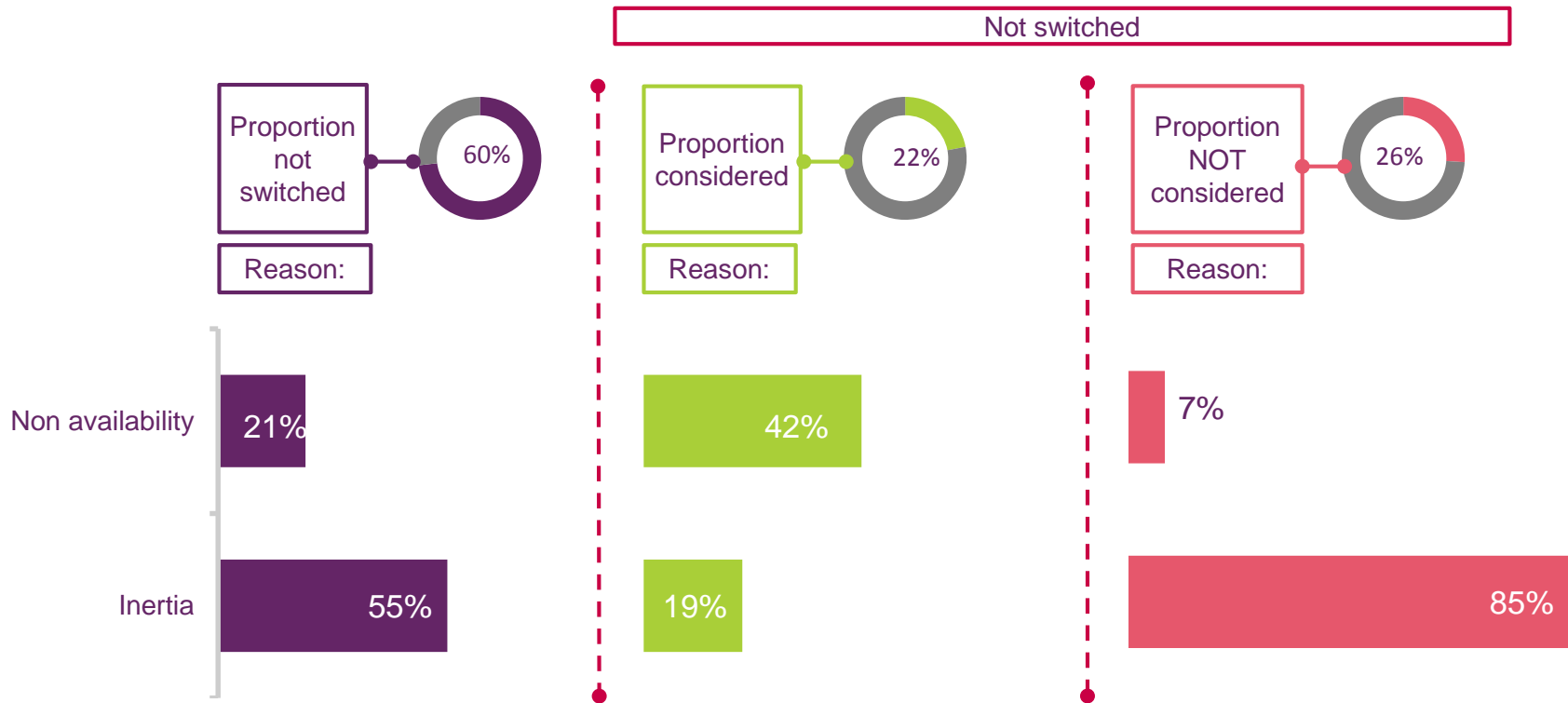
Source: Why did you not change / consider changing the speed of your fixed broadband service? PROBE: Any other reasons?

Base: All SMEs with fixed BB connection who had not changed their fixed broadband – 291, all considered – 113, did not consider – 143



At a net level the single biggest reason for those who considered but that did not switch was non-availability

Net reasons for not switching (MAIN)

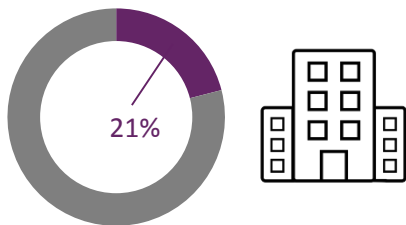
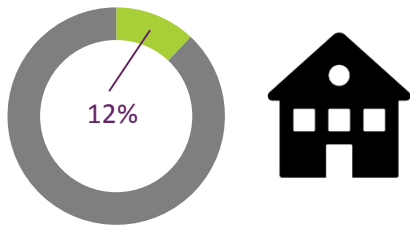


Source: Why did you not change / consider changing the speed of your fixed broadband service? PROBE: Any other reasons?
 Base: All SMEs with fixed BB connection who had not changed their fixed broadband – 291, all considered – 113, did not consider – 143

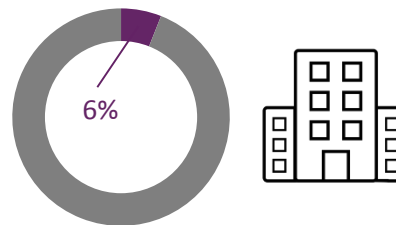
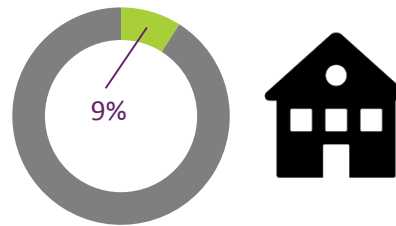
Substitution

Summary of interest of substitutions

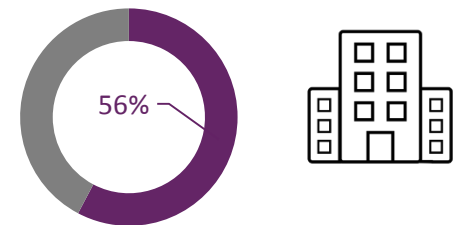
Proportion would consider replacing current fixed broadband with an alternative type of broadband connection:



Proportion would consider a cheaper but slower broadband connection:



Proportion would consider cheaper product aimed at consumers:

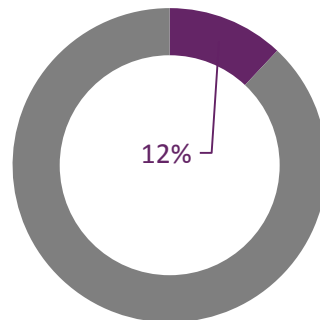




Around one in ten residential customers (12%) claim to have considered replacing their current fixed broadband connection

When considered replacing current fixed broadband

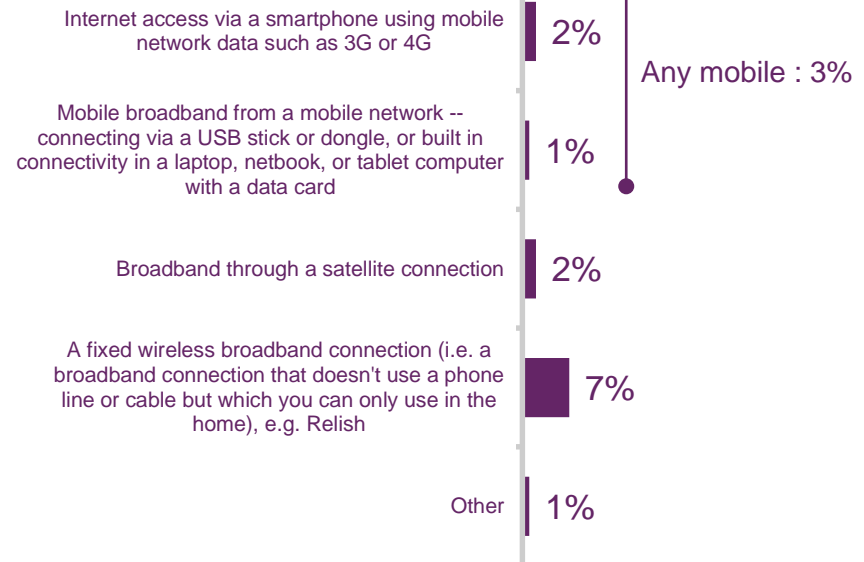
Proportion would consider replacing current fixed broadband with an alternative type of broadband connection:



Proportion of subgroups that would consider replacing current fixed broadband with an alternative type of broadband connection:

- Virgin 9% vs. Sky 15%, TalkTalk 15%
- Standard connection 14%, Superfast 11%
- Find connection slow/ unreliable: 39%
- Considered a switch: 36%

Type of alternative connection considered:



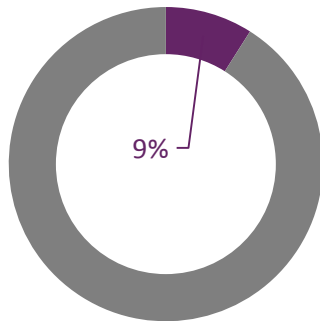
Source: Have you ever seriously considered cancelling your current fixed broadband and replacing this with an alternative type of broadband connection? IF RESPONDENT SAYS YES: What would you use for your broadband connection
 Base: All UK adults with fixed BB connection who have responsibility for it - 1263

One in ten (9%) would consider downgrading their speed if the price decreased and all other parts of the package remained the same



If would consider cheaper but slower broadband

Any consideration of a cheaper but slower broadband connection:



Subgroup differences in consideration of a cheaper but slower broadband connection:

- *Male: 10%, Female: 7%*
- *16-24: 5%*
- *ABC1: 7%, C2DE: 10%*
- *1 in HH: 6%, 2+:9%*
- *Conurbation: 11%, Urban: 8%, Rural: 7%*
- *Connection slow/ unreliable: 13%*
- *Considered: 16%, Switched: 6%*
- *Standard 10%, Superfast 8%*

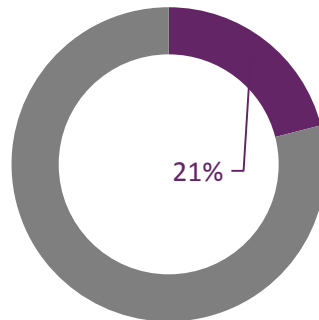
Source: If a cheaper BUT slower broadband connection was available to you, would you consider changing to this cheaper but slower broadband? Before you answer please bear in mind that if you had any other services such as TV or a phone line these would remain exactly as before, only the broadband speed would change with the decrease in price.
 Base: All UK adults with fixed BB connection who have responsibility for it - 1263

21% of SMEs would consider replacing their fixed broadband connection with an alternative type of broadband connection

When considered replacing current fixed broadband



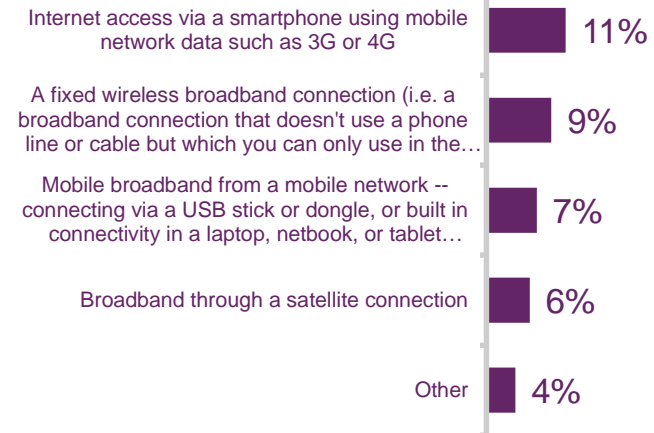
Proportion would consider replacing current fixed broadband with an alternative type of broadband connection:



Proportion of subgroups that consider replacing current fixed broadband with an alternative type of broadband connection:

BT: 18%, Not BT: 24%
 Standard: 25%, Superfast/ Cable: 16%
 Up to 30 Mb/s: 28%, >30 Mb/s: 14%
 Meets needs: Yes: 7%, Mostly/ slow/ unreliable: 36%
 Satisfaction with simultaneous HBW use – Always: 9%,
 Sometimes/ not: 43%
 Considered switch: 41%, Switched 20%
 Manufacturing: 30%, W/R/D: 18%, Services: 19%

Type of alternative connection considered:



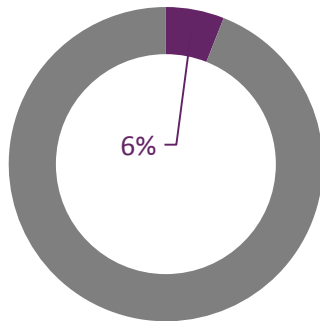
Source: Have you ever seriously considered cancelling your current fixed broadband and replacing this with an alternative type of broadband connection? IF RESPONDENT SAYS YES: What would you use for your broadband connection
 Base: All SMEs with a fixed BB connection - 516

6% of SMEs would consider a cheaper but slower broadband connection



If would consider cheaper but slower broadband

Any consideration of a cheaper but slower broadband connection:



Proportion of sub-groups who would consider switching to cheaper but slower broadband:

- Standard: 9%, Superfast: 3%
- HBW simultaneous use – Happens a lot: 4%, Never/ DK: 18%
- *Satisfaction with simultaneous use* – Always: 2%, sometimes/ not: 5%
- *Manufacturing: 9%, W/R/D: 7%, Services: 5%*

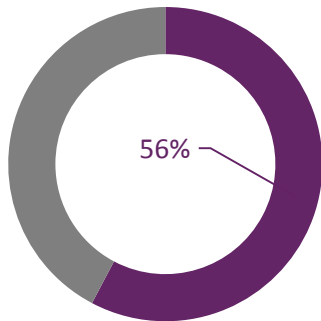
Source: If a cheaper BUT slower broadband connection is available to you, would you consider changing to this cheaper but slower broadband? Before you answer please bear in mind that if you had any other services such as your phone line these would remain exactly as before, only the broadband speed would change with the decrease in price.
 Base: All SMEs with fixed broadband - 516

56% of SMEs would consider using a cheaper product aimed at consumers



If would consider cheaper product aimed at consumers

Any consideration of cheaper product aimed at consumers:



No difference, but interesting

Consideration of cheaper product aimed at consumers by subgroup:

- Use a BB business product: 56%, use a consumer product: 53%
- Standard: 61%, Superfast/ cable: 48%
- <30Mb/s: 59%, >30 Mb/s 46%
- Connection meets needs: 48%, Slow: 68%, Unreliable: 65%
- Satisfaction with HBW simultaneous use: Always: 38%, sometimes/ not: 64%
- Switched: 51%, Considered: 72%

Reasons for not considering consumer product:
(over 5%)

Happy with what we have	23%
Customer support insufficient	21%
Service quality isn't good enough	18%
Too much hassle to change	7%
General preference for business products 'we are a business'	7%
High contention/ consumer products subject to high contention ratios	6%
Don't know	12%

Source: Again, thinking hypothetically. If a consumer broadband product was on the market that would meet the needs for your business but at a lower price than you were currently paying, would you consider changing to a consumer product?

Base: All SMEs with fixed broadband - 516/ All who would not consider a consumer product: 181

Issues around ‘quality’ are mentioned by many respondents as a barrier to taking up a consumer product



Reason would not consider consumer product

Inertia

Happy with what we have	23%
Too much hassle to change	7%

Other

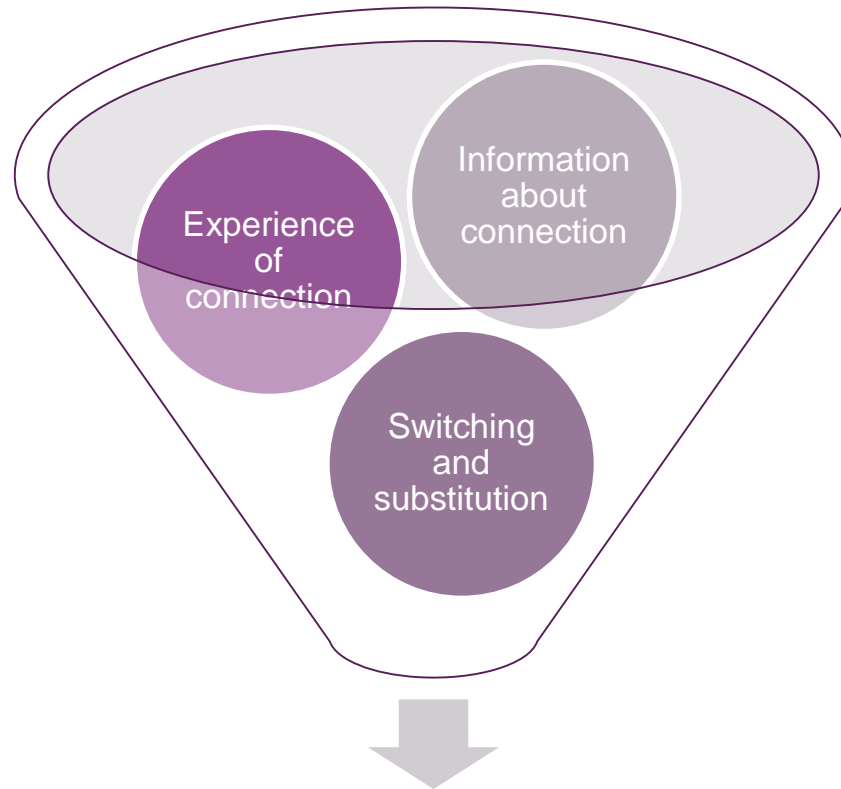
General preference for business products ‘we are a business’	7%
Don’t think would save money/ would be worthwhile	3%
Business service is part of a package	3%
Committed to current contract	2%

Quality

Customer support insufficient	21%
Service quality isn’t good enough	18%
High contention/ consumer products subject to high contention ratios	6%
Would be slow/ concerned about speed	3%
Business product more reliable	2%
SLA/ Service Level Agreement	2%
Mentions of services that would not be included, eg hosting	1%
Usage caps	1%
Upload speeds insufficient	1%

Source: Again, thinking hypothetically. If a consumer broadband product was on the market that would meet the needs for your business but at a lower price than you were currently paying, would you consider changing to a consumer product?

Base: All SMEs with fixed broadband who would not consider a consumer product: 181



Overall summary

Overall key points – residential and SME (1 of 2)

- Not all residential **or** SME customers were able to name the **exact speed** of their connection – as hypothesised at the start of the research
- For **a majority** (72%) of residential consumers their connection ‘meets their needs’. This was **lower** for SMEs at 54%
 - 18% of SMEs found their connection either slow or unreliable (11% residential consumers)
- Those with a ‘standard’ connection were **more likely** to indicate their speed was ‘too slow’. *‘Standard’ speed respondents were also overrepresented in the ‘considered but did not switch’ group*
 - This is true for residential AND SME consumers
- High bandwidth activities were undertaken ‘a lot’ or ‘sometimes’ by 7 in 10 residential consumers and for **most** (63%) these activities happen **more than once at the same time** ‘a lot’ or ‘sometimes’. SMEs were **more likely** to report HBW activities ‘a lot/ sometimes’ (89% vs. 71% residential consumers). AND more likely to find they happened ‘a lot’ or ‘sometimes’ **at the same time** (70%)
- Half (49%) of residential consumers conducting high bandwidth activities more than once at the same time ‘a lot’ are ‘always’ **satisfied with the quality of speed of connection**. For SMEs the proportion is slightly below this (44%)

Overall key points – residential and SME (2 of 2)

- **Switching broadband speed** has been undertaken by 40% of SMEs in the last 2 years and 22% of residential consumers. The direction is **almost always up** (and often reported to be an actual improvement)
- One in ten residential consumers and two in ten SMEs **considered switching their speed of broadband service but did not do so**. For **almost all those** who considered switching, this was almost always an upgrade to the speed of service
- Factors around speed were **more likely** to prompt either consideration or a switch (in most instances). Cost was a factor but a minority of SMEs said it was the 'main' reason (11%), for residential consumers this was 22%.
- For those that had **not considered a switch** inertia emerged as the main governing factor. However, for those who had **considered but not switched**, product availability was also an issue. Indeed, for SMEs it was more of a 'main' reason for not switching than inertia (42% vs. 19%).
- Alternatives to a **fixed broadband** connection would be considered by 21% of SMEs and 12% of residential consumers. SME and consumer customers showed similar interest in cheaper but SLOWER broadband (6% SME, 9% residential).
- Over half (56%) of SMEs indicated some interest in a cheaper broadband product aimed at consumers

Wholesale Broadband research

Appendix



Sample profile – nationally representative

	All respondents	Fixed BB decision maker
Gender		
Male	49%	52%
Female	51%	48%
Age		
16-34	33%	30%
35-54	31%	37%
55+	35%	33%
Social grade		
ABC1 (upper middle class, middle class and lower middle class)	50%	56%
C2DE (skilled working class, working class and non working)	50%	44%
Household size		
1	20%	17%
>1	80%	83%

Sample profile – SMEs with fixed broadband



	All respondents
Number of employees: NB sole traders excluded	
2 to 5	55%
6 to 10	21%
11 to 20	12%
21 to 50	8%
51 to 100	3%
101 to 200	1%
200 to 249	<0.5%
Sector:	
Manufacturing	23%
Wholesale/ Retail/ Distribution	27%
Services	50%

	All respondents
Region:	
North East	3%
North West	10%
Yorkshire and Humber	7%
East Midlands	7%
West Midlands	8%
East of England	10%
London	16%
South East	16%
South West	9%
Wales	4%
Scotland	7%
Northern Ireland	3%

Sample profile – SMEs with fixed broadband



	All respondents
Number of sites or branches NB sole traders excluded	
1	83%
2-3	12%
4-5	2%
6+	2%
Interview at Head Office	
Yes	87%
No	13%
Status	
PLC	77%
Partnership	14%
Other	9%

	All respondents
Turnover:	
UP to £50k	6%
>£50 to <£100k	12%
>£100 to <£250K	17%
>£250 to <£500k	9%
>£500 to <£999k	10%
£1million or more	8%
Telecoms spend:	
Up to £500	15%
£500 to £999	19%
£1,000 to £1,999	21%
£2,000 to £2,999	12%
£3,000 to £4,999	6%
£5,000 or more	11%

Mean: £187,400

Glossary of terms

Term/ abbreviation	Meaning
Bandwidth	This is the 'bit-rate' of available or consumed information capacity expressed typically in metric multiples of bits per second
Cloud computing	Access to remote servers in data centres
HBW	<u>High bandwidth – Bandwidth is the bit-rate of available or consumed information capacity expressed typically in metric multiples of bits per second High bandwidth – as above with bandwidth above 50 Megabits per second</u>
Mbit/s	Megabit per second – speed of multiples of consumer information capacity
PSTN	Public switched telephone network – the aggregate of the world's circuit-switched telephone networks that are operated by national, regional, or local telephony operators, providing infrastructure and services for public telecommunication.
Specific interface/ File Transfer Protocol	A network protocol to transfer files between clients and servers
VOIP	Voice over internet protocol
VPN	Virtual Private Network
WAN	Wide area network –a telecommunications network or computer network that extends over a large geographical distance. Wide area networks are often established with leased telecommunication circuit