



Report for Digital Connectivity Forum

FTTP take-up research



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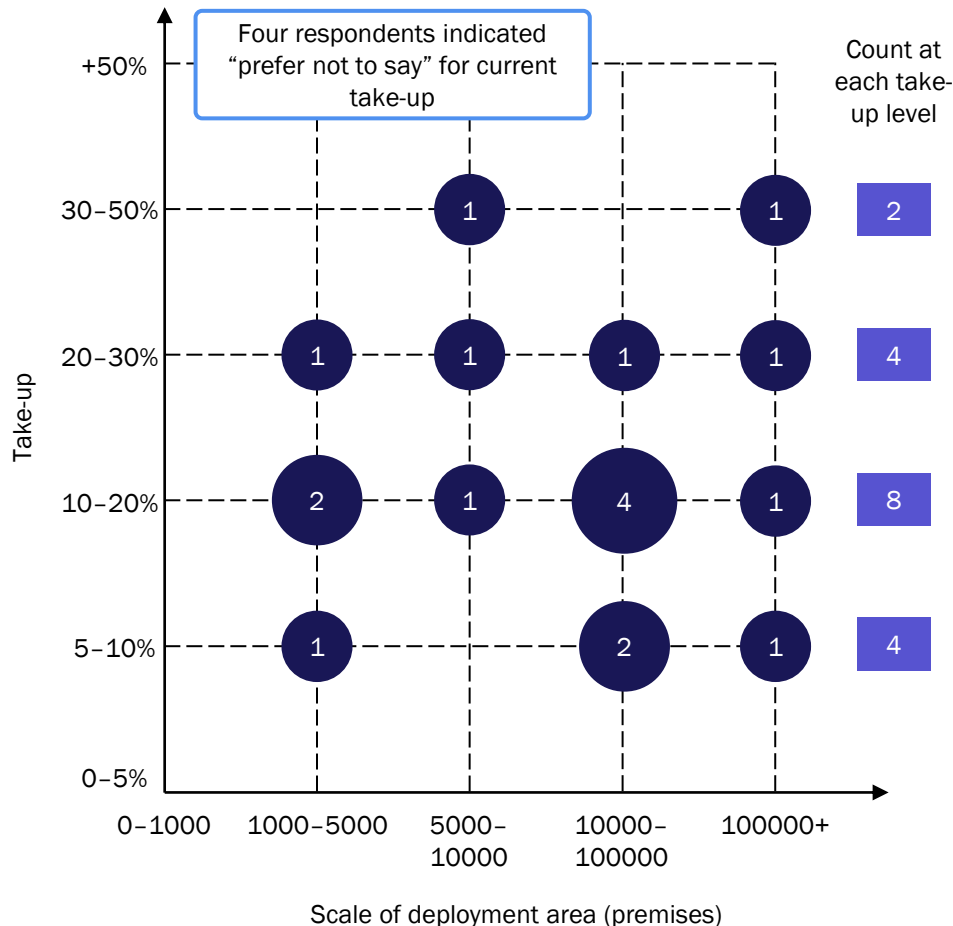
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We surveyed 22 fibre operators, who cited a range of take-up results, with the key drivers being price, download speed and the high reliability of FTTP

Responses by take-up and scale of deployment area



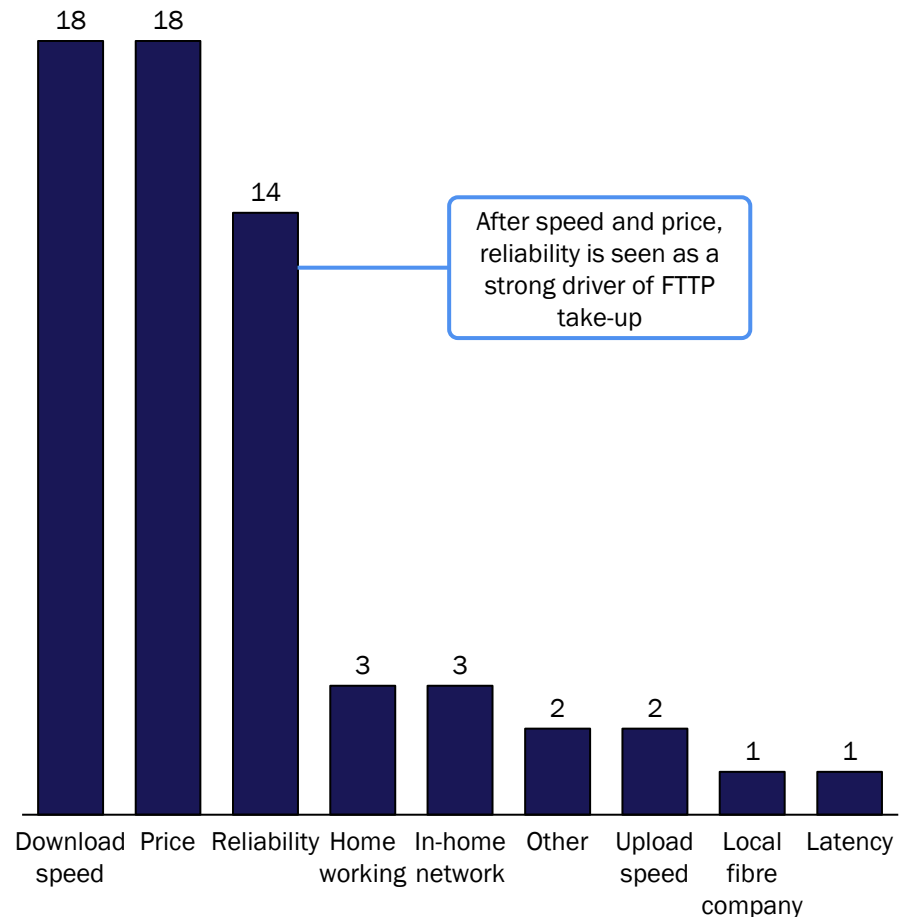
Associated questions in the questionnaire:

Question: How many premises are there in the deployment area(s)?

Question: Please indicate the current take-up in the deployment area(s).

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Drivers given by operators for customers taking FTTP services



Associated questions in the questionnaire:

Question: What are the main drivers your customers are giving for taking FTTP services? Please select at most 3 options.

FTTP is bringing efficiency and growth benefits to businesses, providing a higher quality of experience to consumers, and supporting local community services

Summary of selected FTTP case study examples provided by survey respondents

Success stories from **businesses** show that FTTP is bringing the efficiency and growth benefits of high speed and highly reliable connectivity to businesses

Increased efficiency in the hospitality industry

Enabling effective home working to promote work-life balance

Greater possibilities for businesses in an innovation hub

Improved productivity for small businesses

Consumer success stories indicate that FTTP improves end-user experience and allows multiple users to perform high-bandwidth tasks simultaneously

Consistent experience for all family members

Faster and more stable speeds, clearer calls

“Night and day” improvement in broadband experience

Fast and reliable connection for sharing files

FTTP connectivity is also supporting local **community** services and cohesion, including charities, scouts, sports clubs and cultural attractions

Improving efficiency at a river rescue organisation

Enabling free community connectivity

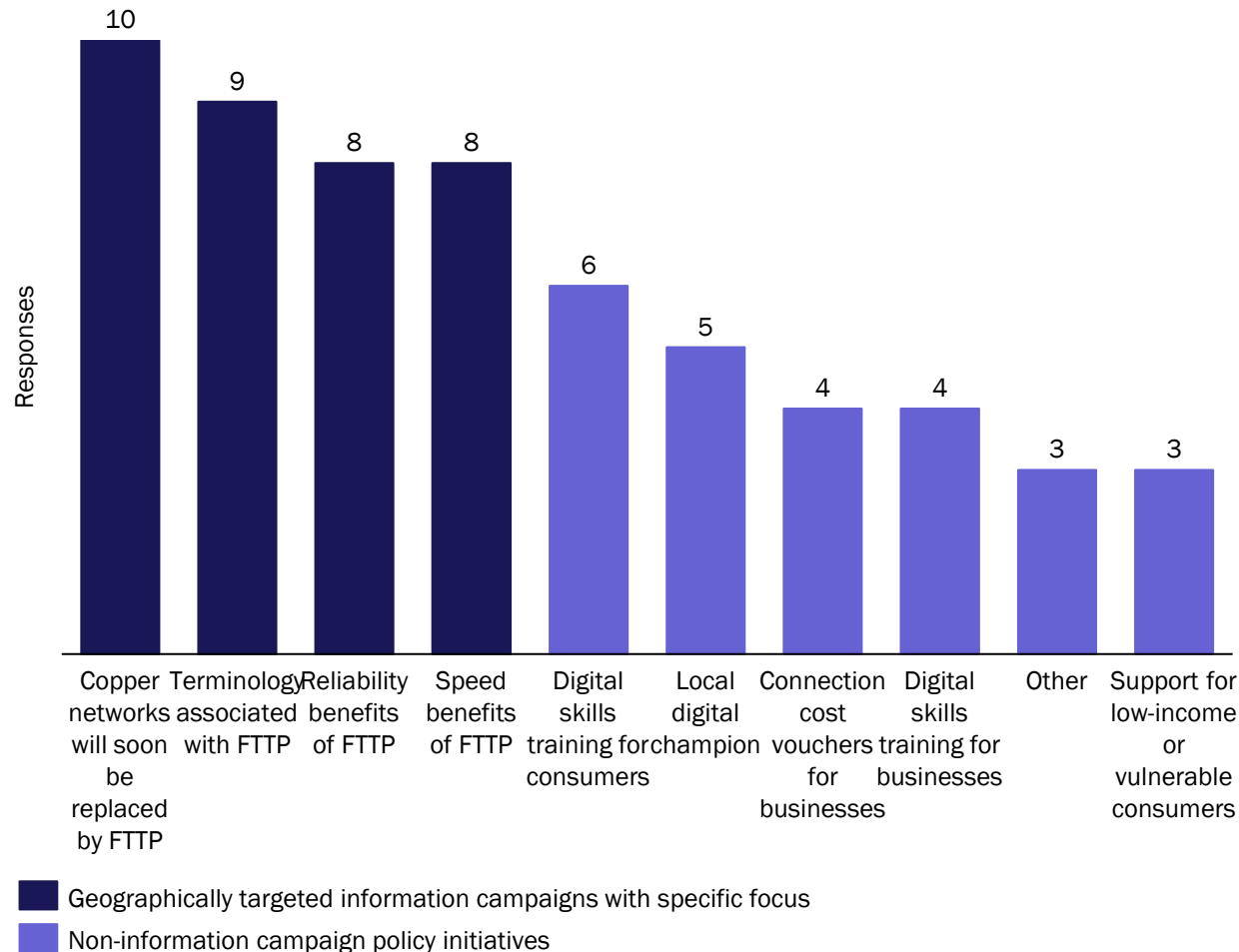
Providing connectivity to sports club

Improving visitor experience at museums

Helping a local scout group to reduce energy use

Responses showed a consensus for launching information campaigns as the preferred option to drive further FTTP take-up

Policy initiatives that can help improve FTTP take-up



Recommendations

We propose that an information campaign could be built around a new cross-industry independent website.¹

The website could feature clear non-jargon explanations of the capabilities of the range of broadband technologies available to end-users (including other gigabit-capable technologies), alongside information on how to switch provider and how the availability of networks will change in the future. Information on access to digital skills training and digital champions could also be provided.

Once set up, multi-channel integrated marketing activities should be used to raise awareness of the existence of the website.

Further work and discussion is required to determine who should own the campaign, though involvement from government, Ofcom, FTTP and other broadband operators, and end-user groups is likely to be beneficial.

Associated question in the questionnaire: Which of the following policy initiatives would be most effective in improving take-up on your FTTP network? Please select at most 3 options. ¹ The survey questionnaire asked about a geographically targeted campaign, but our recommendation is that the information is made available via a geography-agnostic website



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To understand whether policy can support more FTTP take-up, we conducted a structured programme of primary research with UK FTTP providers

Background to the work

- Advanced fixed connectivity networks, such as gigabit-capable fibre to the premises (FTTP), have the potential to support a wide range of benefits to both individual end users and the wider economy
- However, there is concern over the take-up on FTTP networks in the UK as, by the end of the decade, a material proportion of fixed broadband users will still likely be on non-FTTP networks
- Analysys Mason has been commissioned by the Digital Connectivity Forum (DCF) to undertake research into how take-up can be improved on FTTP networks

Approach to the research

- We have undertaken a survey of FTTP take-up by reaching out to relevant DCF sponsors and our own network of fibre operators in the UK to collect insights on:
 - characteristics of operators' FTTP deployment area(s), along with take-up, drivers and barriers
 - case studies of consumers, businesses and local community services (e.g. schools, hospitals) adopting FTTP as an enabler of new services, applications and ways of working
 - the value of policy and/or market initiatives that will help improve FTTP take-up
- Due to the commercially sensitive nature of some of the information requested, all responses have been anonymised
- The rest of the report is structured as follows:
 - additional policy regulatory and market context
 - profile of respondents
 - results and analysis
 - conclusions and recommendations

A wide range of policy and regulatory initiatives are supporting the deployment of, and competition between, new FTTP networks

Project Gigabit

- In March 2021, the UK government launched 'Project Gigabit', a commitment to invest GBP5 billion to roll out gigabit-capable broadband for the 'final 20%' of UK premises that are unlikely to receive gigabit broadband connectivity via commercial deployments
- The UK government is targeting 85% gigabit-capable¹ coverage by 2025 (with 80% expected via commercial deployments) and nationwide coverage by 2030

Improving broadband for very hard to reach premises

- In October 2023, the Department of Science, Innovation and Technology (DSIT) launched a consultation to understand how to improve connectivity for very hard to reach premises (VHtRPs) in the UK
- The consultation focused on the following areas:
 - the government's current policy position
 - potential policy options to improve connectivity for VHtRPs and criteria used to evaluate policy options
 - service parameters for VHtRPs
 - barriers to delivery in such areas

One-touch switching (OTS) process

- OTS is an initiative from Ofcom which will enable broadband users to switch between different providers more easily
- The new switching process aims to ensure that:
 - customers will only have to contact their new provider
 - customers will automatically receive switching information from their current provider
 - the process will only take one day where technically feasible
- Currently, users can already switch between providers that offer services over Openreach's network
- The OTS process was planned to be implemented in April 2023; however, the deadline was missed, with process now expected to be launched industry-wide in September 2024

Other regulatory propositions

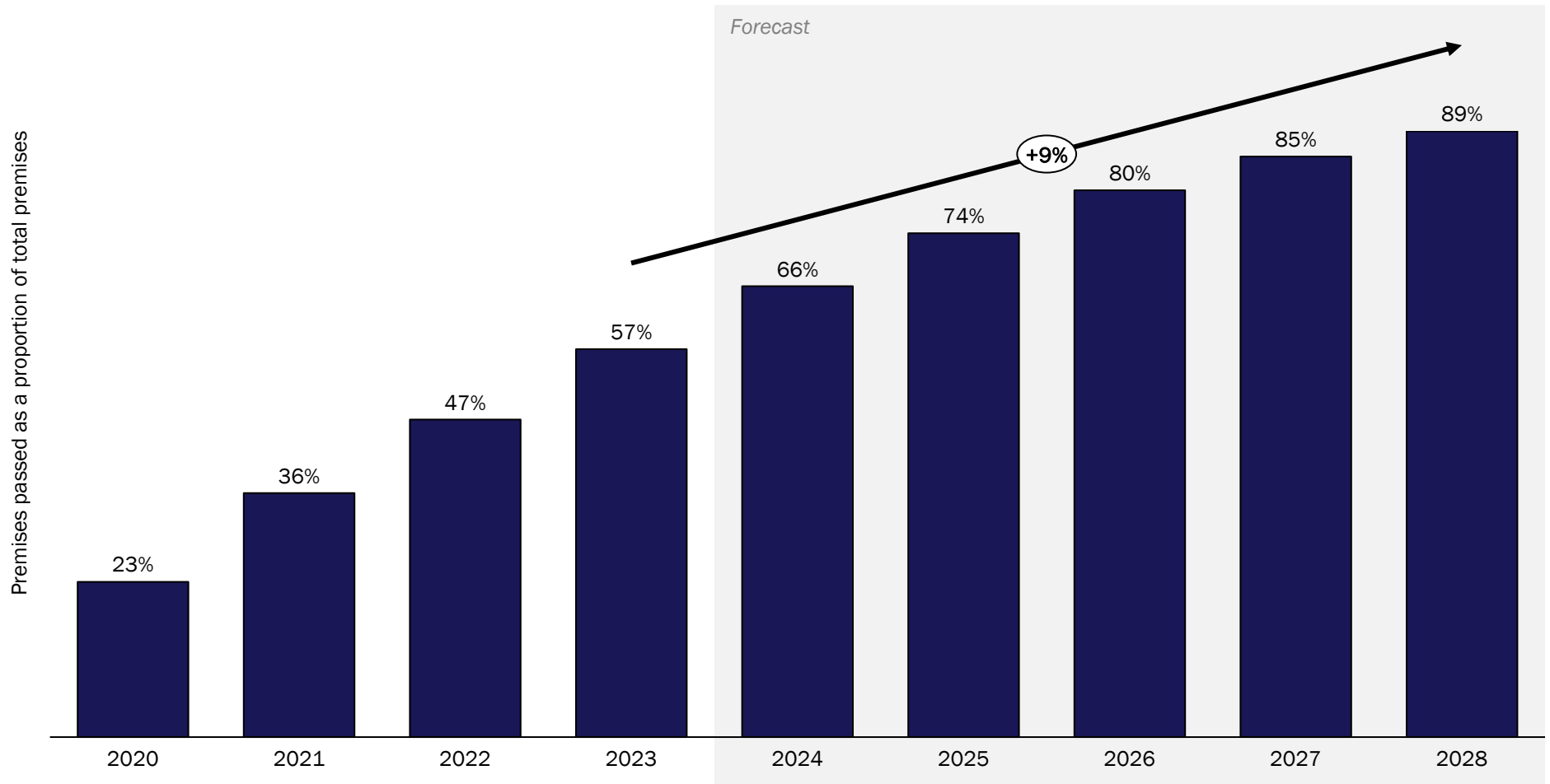
- Ofcom will require broadband providers to publish guidance to help improve customer understanding of different broadband technologies (effective 16 September 2024)
- Ofcom also launched a consultation proposing a ban on inflation-linked mid-contract price rises

¹ FTTP is considered to be gigabit capable, alongside other gigabit cable technologies such as cable and 5G networks

Sources: House of Commons Library, DCMS, Ofcom, DSIT, Ofcom

The combination of commercial and government-supported deployments is expected to deliver nearly 90% coverage of FTTP by 2028

FTTP coverage in the UK from 2020 to 2028 (end of year)

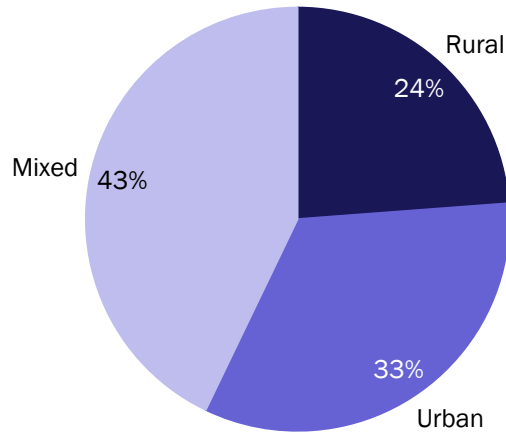


Source: Analysys Mason Research

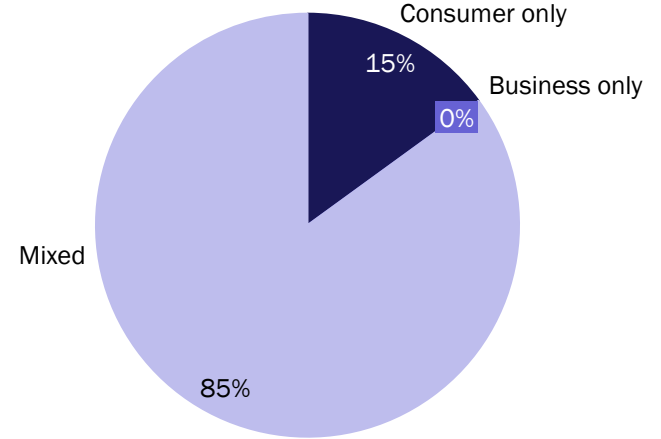
Note: coverage figures include FTTP only, and excludes other gigabit-capable technologies

Our survey of FTTP providers received over 20 responses, from a wide range of providers with different network deployment and operation characteristics

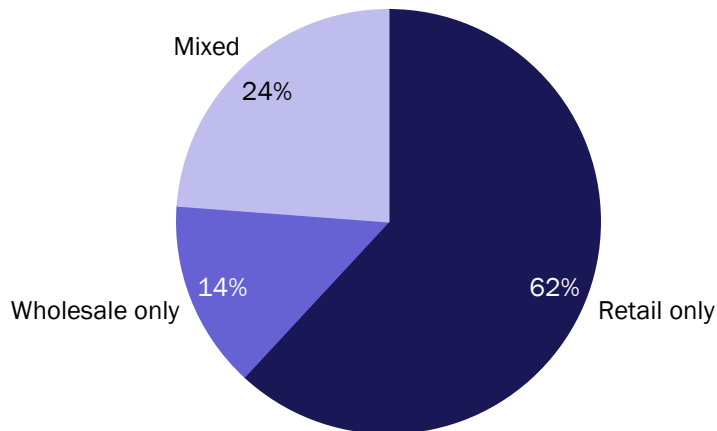
Profile of urban vs rural deployment



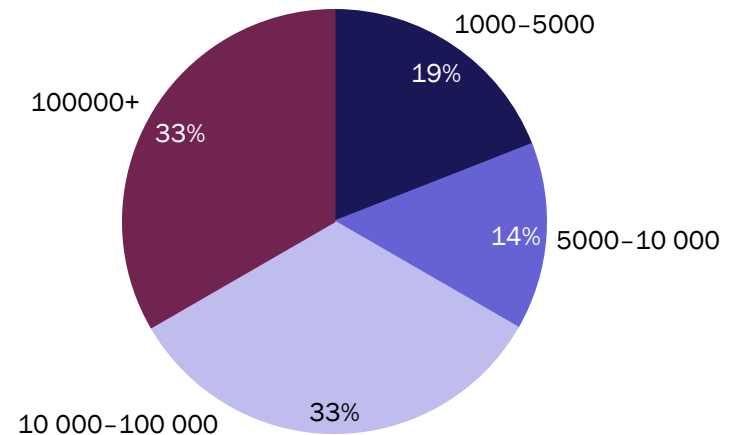
Profile of consumer vs business services



Profile of retail vs wholesale business model



Profile of scale of FTTP deployment (premises)



We received 22 responses in total



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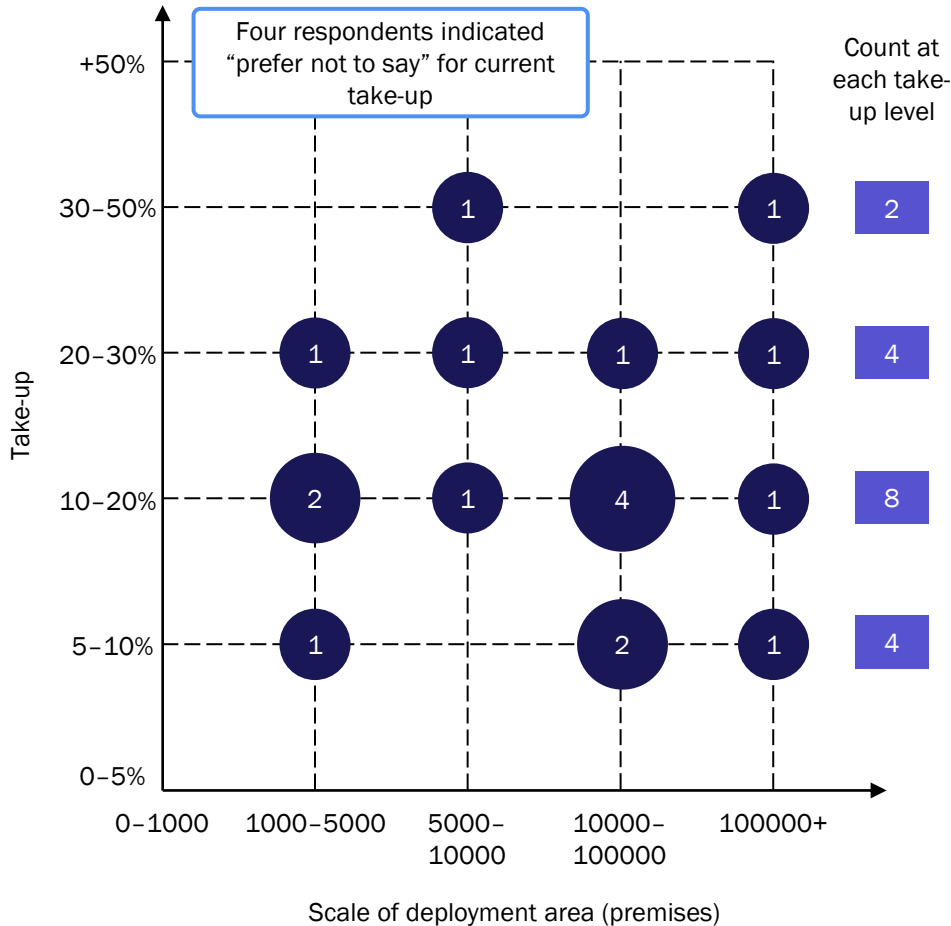
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Operators have indicated a wide range of deployment area sizes and associated take-up, with the most reported take-up rate as between 10–20%

Responses by take-up and scale of deployment area



- The operators were requested to provide the take-up of an FTTP deployment area which:
 - has been fully deployed / ready for service (RFS) for at least 18 months (to ensure that take-up had had time to develop)
 - provides coverage of at least 1000 residential end-user premises
- All the respondents characterised the level of take-up in their deployment area as either a leading or an average example

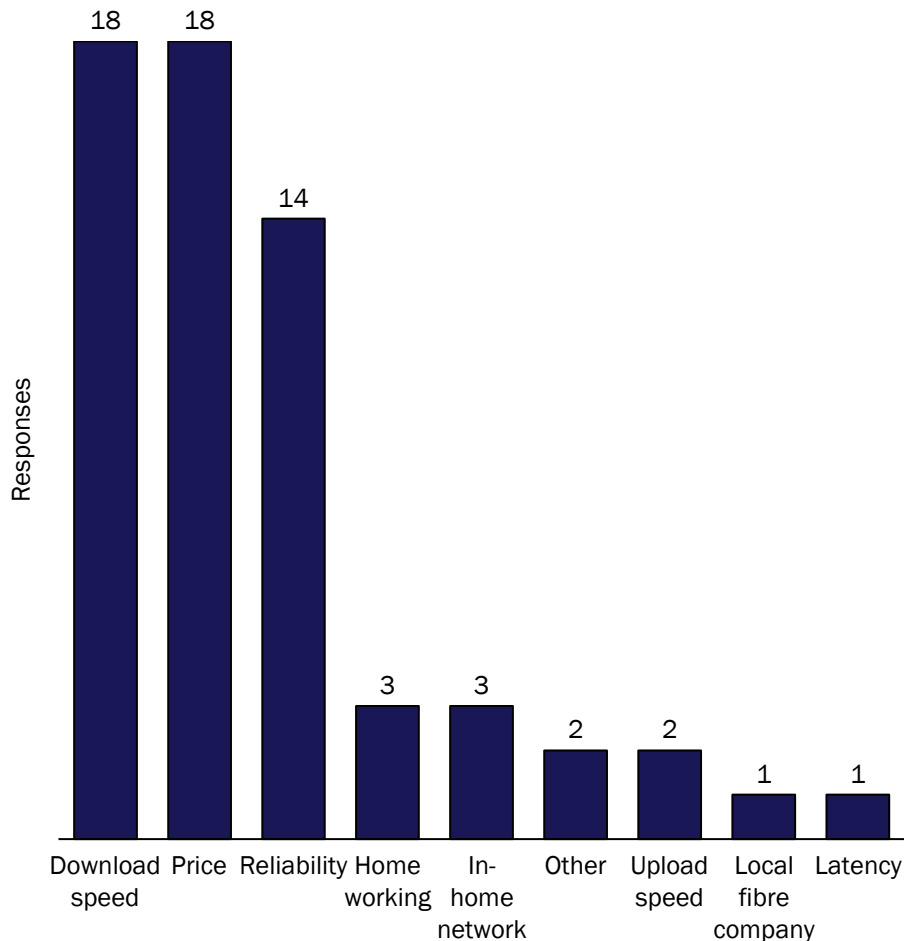
Associated questions in the questionnaire:

Question: How many premises are there in the deployment area(s)?

Question: Please indicate the current take-up in the deployment area(s).

The primary reasons for customers choosing FTTP services are price and download speed, closely followed by reliability (which is a key advantage of FTTP)

Drivers given by operators for customers taking FTTP services



- Responses from operators have been informed by:
 - feedback from internal customer-facing teams
 - feedback from retail partners
 - community engagement events
 - qualitative and quantitative market research
- Most operators indicated download speed, price and reliability as the key drivers of FTTP take-up
- Regarding reliability as a take-up driver:
 - One of the responses stated that “...consumers value the speed of full fibre networks, but also their reliability. While many homes may find the speed they get on a fibre to the cabinet (FTTC) connection sufficient today, they are often let down by the lack of reliability”
 - We note that broadband network reliability can be affected by a range of factors (e.g. issues with the in-home (Wi-Fi) network, and congestion at the core); however, as an important component of the end-to-end connection, having FTTP in the ‘access’ network is likely to deliver a reliability improvement for many users
- One of the answers indicated that drivers vary based on geographical location – reliability and speed are the main drivers in rural areas and price in urban areas

Associated question in the questionnaire:

Question: What are the main drivers your customers are giving for taking FTTP services? Please select at most 3 options.

Success stories from businesses show that FTTP is bringing the efficiency and growth benefits from high speed and highly reliable connectivity to businesses

<p>Increased efficiency in the hospitality industry</p>	<p>“...armed with a faster and more reliable full fibre broadband service, the business has been able to bring the hotel into the digital-era, increasing the efficiency of operations and providing a better experience for guests and visitors”</p>
<p>Enabling effective home working to promote work–life balance</p>	<p>An owner of a global coaching business in Greater Manchester says “its really important that I have fast and reliable, full fibre broadband. I literally can’t do what I do and be as productive as I need to be if I have got slow internet connection.” The user further adds that it is very important for their work life balance as it allows them to work from home effectively, freeing up more time to balance commitments to work and family</p>
<p>Greater possibilities for businesses in an innovation hub</p>	<p>“Deploying the next generation technology today means even greater possibilities for businesses based in our innovation hub. As more and more of us demand faster, more reliable connectivity, this new technology [...] is helping us– and our community– remain one step ahead”</p>
<p>Improved productivity for small businesses</p>	<p>“A small web design company is able to turn work around much faster due to greatly improved upload speeds”</p> <p>“Where once it was taking us [a small drain maintenance business] hours to upload large videos and files it is now [after installation of full fibre] taking no time at all”</p>

The case studies provided for businesses indicate that FTTP could be bridging the gap between dedicated ‘leased line’ type connections and connections based on networks which were primarily designed for consumers

Associated question in the questionnaire:

Question: Please give an example of a business success story from your network, whereby a local business is using FTTP connectivity as a key enabler to their services. If possible, please mention the size of the business (e.g., small, medium, large)

Consumer success stories indicate that FTTP improves end-user experience and allows multiple users to perform high-bandwidth tasks simultaneously

<p>Consistent experience for all family members</p>	<p>“We mostly use our broadband for working from home. The kids use it for gaming, social media, streaming, YouTube and Netflix...I can definitely see an improvement in my connection. The one word I would [use to] describe it is consistent. There is no [variation] in performance in terms of slow down, it is really stable and really consistent all the time”</p>
<p>Faster and more stable speeds, clearer calls</p>	<p>“With our previous provider we had broadband speeds of around 65Mbit/s. It was FTTC and it wasn’t very reliable. Also, our landline telephone was very often subject to crackling which made it difficult to understand what was being said and our provider couldn’t establish the reason for this disturbance. Following the switch to [XXX] FTTP ... the phone doesn’t crackle anymore, and the internet seems more stable and faster”</p>
<p>“Night and day” improvement in broadband experience¹</p>	<p>“We had a customer who ... never received a reliable internet service. Having tried ISDN, ADSL, satellite, a Wireless ISP and finally mobile broadband. Customer now receives a 500Mbit/s full fibre connection and the difference has been described as ‘like night and day’, ‘life changing’ and is now able to reliably work from home saving a 2-hour daily commute to the office, customer is less stressed and work life balance has considerably improved”</p>
<p>Fast and reliable connection for sharing files</p>	<p>“I need a fast and reliable connection that’s suitable for large file transfers as I mix and master music for people across the UK and America...full fibre works perfectly with the server set-up I use to store all my files so I couldn’t be happier with my new and improved set-up. It has been game-changing for me”</p>

Stability and reliability, alongside improved speeds, seem to be key themes in the consumer success stories

Associated question in the questionnaire: Please give an example of a consumer success story from your network, whereby a local household is using FTTP connectivity to improve their everyday lives.

¹ Where the pre-existing broadband technology is higher performance than the broadband services described in this case study, the difference perceived by moving to full fibre is likely to be lower.

FTTP connectivity also supports local community services and cohesion, including charities, scouts, sports clubs and cultural attractions

<p>Improving efficiency at a river rescue organisation</p>	<p>“Full fibre broadband enables us to access our online systems quicker and enhance our ability to keep our teams safe and working effectively when taking part in [river] rescue missions”</p>
<p>Enabling free community connectivity</p>	<p>“We operate in very rural areas where in many cases there is no mobile coverage and landlines are equally unreliable. We provide [connectivity for] free public Wi-Fi for local community events and buildings including village halls to enable fundraising events, business market stalls to process card payments and other community and public functions”</p>
<p>Providing connectivity to sports club</p>	<p>“The club plays such a crucial role in the community, so [XXX] investment [...] through its full fibre broadband service will assist us in strengthening the club’s future, helping ensure the team continues to play a huge role in the community...”</p>
<p>Improving visitor experience at museums</p>	<p>“Having access to faster broadband means our visitor experience in our admission, shop and cafe is faster and more seamless; it also has great potential for us going forward and for our local community”</p>
<p>Helping a local scout group to reduce energy use</p>	<p>“We were struggling with managing the rising costs of heating our premises and although we installed a smart meter and a hive system, we found it difficult to access due to poor connectivity. Now with stable broadband in place, we can make sure that the heating only runs when required and if anyone forgets to turn it off, we can turn it off remotely”</p>

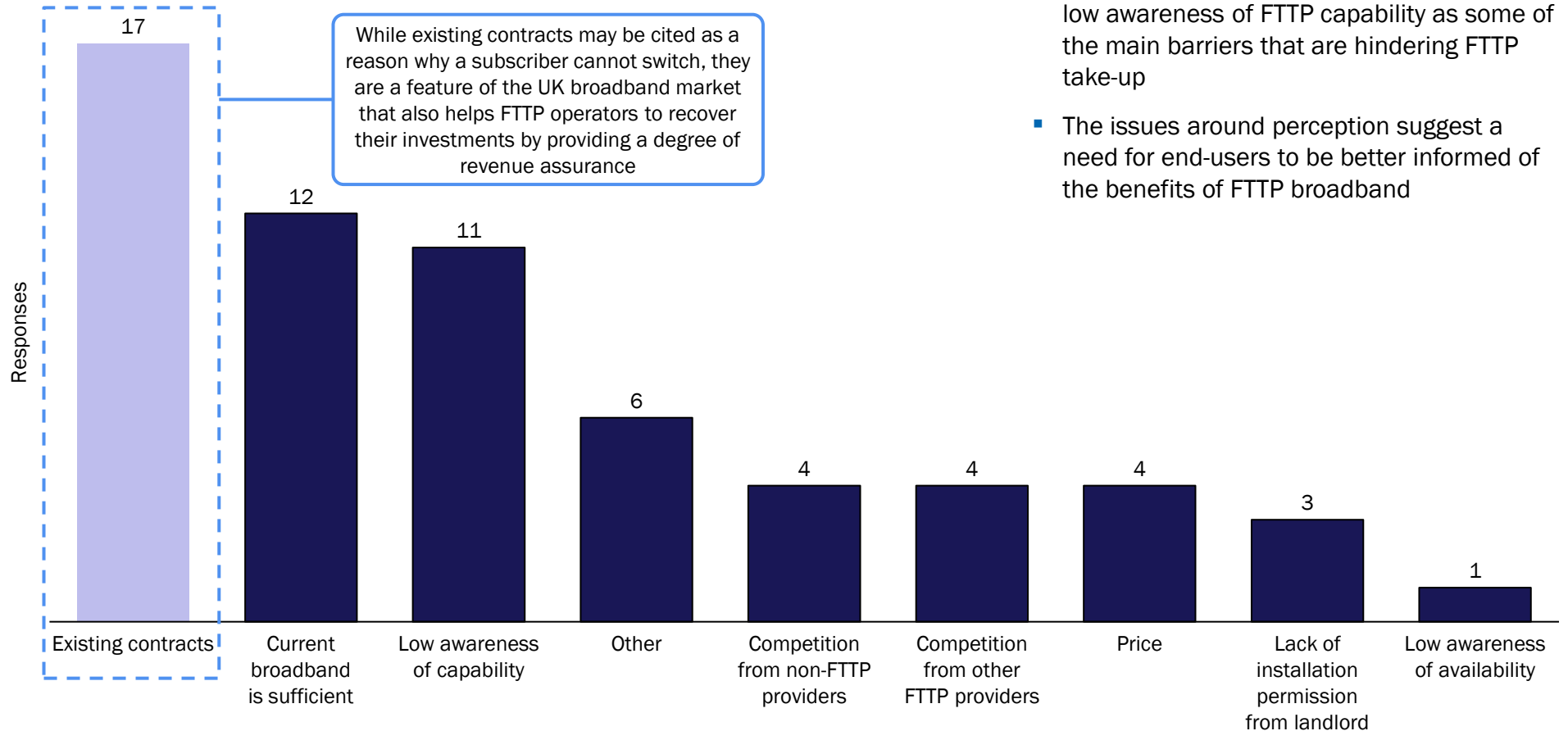
As connectivity underpins so much of modern life, the improvements offered by FTTP are making a difference across a wide range of community, social and cultural settings

Associated question in the questionnaire:

Question: Please give an example of a community success story from your network, whereby a local community service (e.g. school, hospital, library) is using FTTP connectivity to improve everyday lives.

Existing contracts are cited as the most common barrier to FTTP services adoption, followed by perception of the benefits of FTTP (unaware or unaccepting)

Barriers holding back take-up of FTTP services



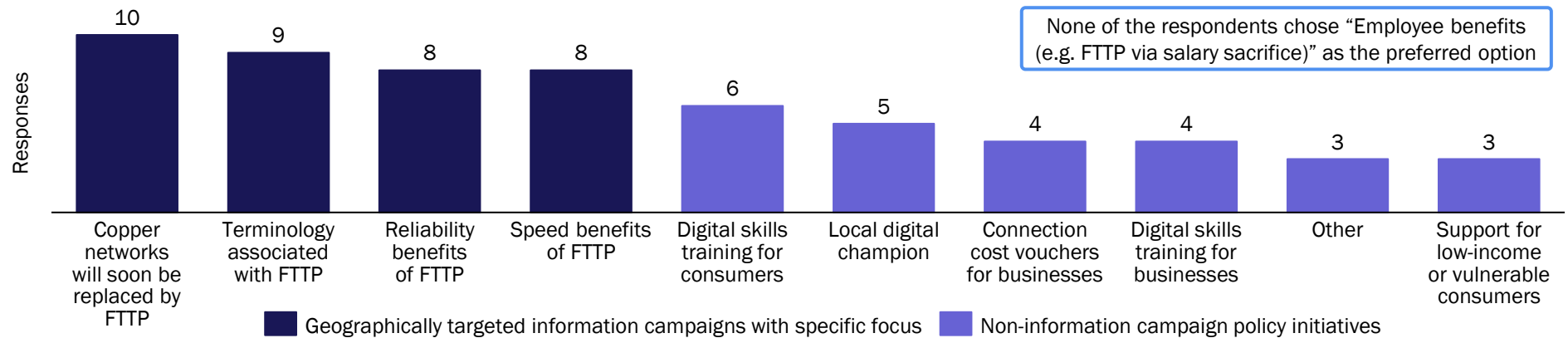
- Respondents identify existing contracts, sufficiency of current broadband along with low awareness of FTTP capability as some of the main barriers that are hindering FTTP take-up
- The issues around perception suggest a need for end-users to be better informed of the benefits of FTTP broadband

Associated question in the questionnaire:

Question: What are the main barriers which are holding back take-up of FTTP services? Please select at most 3 options.

Responses showed a consensus for launching information campaigns as the preferred option to drive further FTTP take-up

Policy initiatives that can help improve FTTP take-up



- Most respondents identified information campaigns¹ focused on the following areas as the preferred option to improve FTTP take-up:
 - highlighting (twisted-pair) copper networks will soon be replaced by FTTP
 - clarifying FTTP terminology
 - highlighting speed benefits of FTTP
 - highlighting reliability benefits of FTTP
- Combined with the feedback received on the barriers to FTTP take-up, we understand that the terminology related to FTTP needs to be clarified such that it is not confused with other broadband services (e.g. FTTC)
 - responses have also suggested that the usage of the word fibre should be avoided unless it is full fibre
- Other policy initiatives that were highlighted by respondents include implementation of OTS, changes to permits for street works, mandating FTTP for all conversions of premises (i.e. from business to residential), and MDU wayleaves (this is solely the view of Openreach and not supported by industry due to a variety of reasons including competition concerns²).

Associated question in the questionnaire: Which of the following policy initiatives would be most effective in improving take-up on your FTTP network? Please select at most 3 options. ¹ Note: although the survey questionnaire asked about a geographically targeted campaign, our recommendation is that the information is made available via a geography-agnostic website (see later); ² Source: DCF

Additional comments received from operators help to give context and balance for the preferred options for policy intervention

“...clearer, more accurate advertising of full and part fibre products would be the most effective way of improving take up...”

“There is much work to do to help consumers **better understand the evolution of fibre and the benefits of it**. With the copper network being retired, it is important for consumers to understand the **benefits of the technology transition**”

“Customers do not recognise what the **copper switch off** is, what it means to them, when its happening and why they need to **take action now and not later**”

“While **publicly funded campaigns** could help to improve fibre take up, it would be more cost effective (and appropriate) to **wait for commercial dynamics to play out**, and then to consider whether funded campaigns to move the final cohort of people onto FTTP would be beneficial”

“All of the suggestions above would make **no difference** in customers adopting FTTP. If consumers **were clear that they were not getting fibre broadband** then that would allow them to realise the true difference **without wasting huge amounts of government money**”

“Some also just need some **hand-holding** to reassure them that they will be **supported through the change**”

“In the more rural areas, **vouchers** have been a useful tool to allow us to go further and faster”

“For businesses, the communication will help, but **ameliorating the higher costs** (where they occur) of more complex and therefore expensive business installations would be positive”

“...aside from the early adopters, our general consumer and business market would benefit from **digital skills training**”

“...**certain age brackets and communities struggle to realise the full benefits** of the technology and this means more work done in communities and business on **digital skills** which vary depending on the individual(s) involved”

“Where we have seen the LA [local authority] employ **digital champions** we have been supported in deployment and in demand creation”

“...having **local champions** to help with sharing the knowledge and encouraging residents to increase their knowledge, especially if its **someone they can trust**, is critical”

“**Commercial decisions** [of wholesale networks], and the notification of **stop sell**, have also both served to significantly improve the level of FTTP take up”

“...the major challenge that we have...is the ability to **gain easy and permanent entry** into the [XXX] flats we are currently outside of. The TILPA legislation doesn't provide this...”¹

¹ This is solely the view of Openreach and not supported by industry due to a variety of reasons including competition concerns. Source: DCF

Associated question in the questionnaire: Please explain your answer to the above question [i.e., the policy question].

Key:

 Raising awareness	 Transition support	 Digital skills training	 Wholesale prices and stop sell
 Financial support	 Digital champions	 Wayleaves	



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The research suggests that clarifying terminology around broadband network technologies could help to boost take-up, driving benefits for the UK

Our survey of FTTP operators received a strong response from a wide range of FTTP operators. The FTTP operator landscape is varied, with a wide range of scales of coverage and take-up performance. While some operators are doing better at take-up than others, there is potential for take-up to be improved further across the market, so the UK can benefit from the capabilities of the FTTP networks being deployed.

The survey showed that the main drivers for customers choosing to take FTTP services are download speeds and price of the service. However, the high reliability of FTTP was a strong third-place driver, significantly ahead of other factors. Survey respondents also cited a wide range of case studies showing how FTTP is: bringing efficiency and growth benefits to small businesses, providing a higher quality of experience to consumers, and supporting local community services including charities, sports clubs and cultural attractions.

In terms of barriers which could be holding back FTTP take-up, existing contracts are the most often-cited reason. Contracts are a feature of the current broadband market, and while they do constrain switching, they are an important factor in providing revenue assurance to the FTTP operators seeking to recover the significant investments they are making. Nevertheless, end-users should have the ability to easily switch provider at the end of their contract (if so desired), and Ofcom's one-touch switching regime will support this aim.

After existing contracts, the next most commonly-cited barriers are related to the perception of the benefits of FTTP: current broadband packages are considered sufficient and/or there is a low awareness of the capability of FTTP. These issues fit well with the most popular suggestion for an effective policy initiative. There was a broad consensus that an information campaign would have the greatest impact on take-up. Such a campaign should cover issues including the eventual switch-off of DSL-based networks, clarifying the terminology of FTTP networks, and highlighting both the reliability and speed benefits of these networks.

We propose that an information campaign could be built around a new cross-industry independent website. The website could feature clear non-jargon explanations of the capabilities of the range of broadband technologies available to end-users (including other gigabit-capable technologies), alongside information on how to switch provider and how the availability of networks will change in the future. Once set up, multi-channel integrated marketing activities should be used to raise awareness of the existence of the website.

Further work and discussion is required to determine who should own the website, though involvement from government, Ofcom, FTTP and other broadband operators, and end-user groups, is likely to be beneficial.

See next slides

An independent ‘jargon-busting’ website providing an explanation of different broadband technologies could enhance end-user understanding of FTTP benefits

- Results from the survey highlight a need for end-users to gain a better understanding of FTTP networks
- We propose a centralised information website to help improve end-user understanding of different broadband technologies
- The website could incorporate:
 - non-jargon explanations of the range of broadband technologies available to end-users (including other gigabit-capable technologies) with clear identification of benefits and capabilities
 - use of visuals or graphics where possible to encourage better understanding
 - how the availability of networks will change in the future (e.g. the eventual decommissioning of DSL-based networks)
 - information on how to switch providers (e.g. the OTS regime)
 - information on access to digital skills training and digital champions
 - other relevant policy and regulatory developments
- The website could follow a similar role to websites from other industries

Examples of explainer websites

Sector	Websites
Finance	Money and Pensions Service (maps.org.uk)
	Information on state pensions
	Individual savings account (ISA) explained
Healthcare	NHS 111
Transport	Public transport information for Manchester
Housing	Information on renting property
Cross-industry	Citizen’s advice
	Expatica: Guide for internationals

The website should be co-ordinated with Ofcom’s initiative that requires broadband providers to give improved guidance on the nature of their network technologies. The requirement is due to be implemented by 16 September 2024

The marketing activities to promote awareness of the website could follow the example set by previous broadband-related campaigns

Examples of broadband information campaigns

Campaign	Objective(s) of the information campaign
Superfast Essex	Superfast Essex launched a 12-week campaign which used various marketing strategies such as digital marketing, advertising, public relations / media and stakeholder channels to: <ul style="list-style-type: none"> ▪ raise awareness about FTTP networks, ▪ explain the difference between different broadband technologies (FTTP and FTTC), ▪ notify businesses and residents about full fibre upgrade at their premises to encourage take-up ▪ and spread awareness about developments taking place as part of UK government’s ambition to achieve 85% gigabit-capable coverage by 2025
Digital Scotland Superfast Broadband	The Digital Scotland Superfast Broadband ‘up your street’ campaign featured an advertising van which travelled around the Scottish border to raise awareness about the availability of broadband technology and encourage local people to take up services
Superfast Worcestershire	Superfast Worcestershire launched a campaign which involved the use of eye-catching stickers to inform residents and businesses about the availability of free Wi-Fi across the county
Superfast broadband campaign in Wales	Superfast broadband campaign was launched by Welsh government in Blaenau Gwent to showcase the benefits and capabilities of superfast broadband and encourage its take-up throughout the country
Superfast Broadband	Broadband Delivery UK launched a multi-channel marketing campaign which included TV, press, digital and radio advertising to raise awareness, showcase the benefits and encourage take-up of superfast broadband

The website and marketing campaign are both needed for end-users to made be aware of, and to gain an understanding of, the benefits of different broadband technologies, and to enable them to make switching choices with this information in mind

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