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Why Consumers Love FTTH in France—
The FTTH Consumer Experience Study

FTTH Council Europe



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FTTH Conference 2016

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Webinar

- 20-25 minutes presentation
- 15-20 minutes Q&A
- Please write your questions in the questions box of the webinar system
- Relevant questions that are not answered during the webinar will be answered by email
- The slides will be available for download after the webinar
- The webinar is recorded and can be viewed as video-stream afterwards. The video will be available on the website of the FTTH Council Europe within one week
- Slides and information about the availability will be sent to registered attendees by email



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Why Consumers Love FTTH in France— The FTTH Consumer Experience Study

Moderator:

Joeri Van Bogaert

Chair Financing Committee

FTTH Council Europe

Presenter:

Benoît Felten

CEO

Diffraction Analysis

FTTH/B Satisfaction and Usage in the French Market

Benoît Felten, CEO
benoit@diffractionanalysis.com

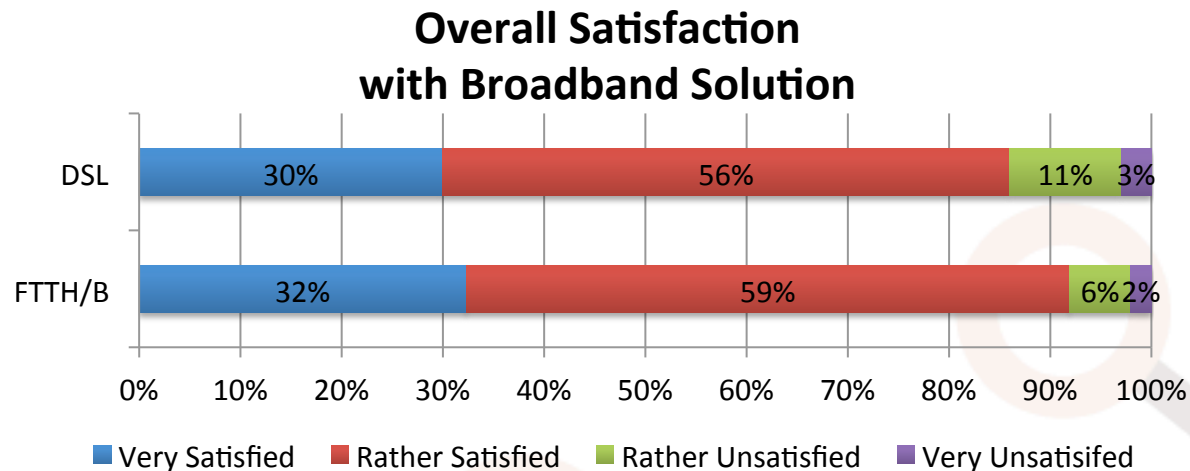
In assistance to

Purpose and Methodology

- This study commissioned by the FTTH Council Europe aimed at measuring the differences in broadband attitudes and usage between FTTH/B users and legacy DSL users in France.
- It is part of a series of three such studies undertaken in a mature market (Sweden), a maturing market (Portugal) and an immature market (France).
- The study was conducted in December 2014, via an online quantitative survey of 500 broadband respondents. The survey was run by Paradox' Opinion / OpinionWay.
- The sample included 300 FTTH/B users and 200 DSL users. The survey was conducted in French.
- The following presentation highlights the key findings.

FTTH/B users are broadly very satisfied with their broadband

- FTTH/B users are slightly more satisfied overall with their broadband solution. 91% declare themselves satisfied or very satisfied vs. 86% for DSL users.
- Satisfaction levels are particularly high amongst Bouygues Telecom and Numericable FTTH/B customers (respectively 96 and 95%).
- The gap in overall satisfaction is lower in France than in other markets.

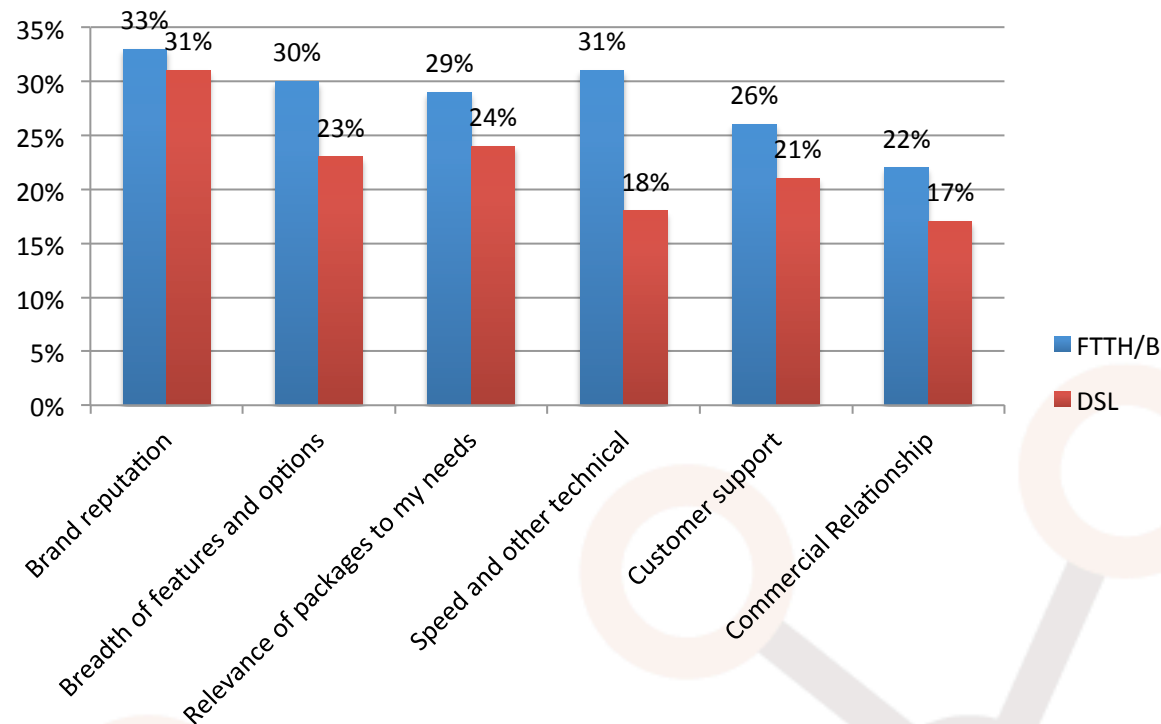


Source: FTTH Council Europe / Diffraction Analysis / Paradox' Opinion / OpinionWay

FTTH/B users are more satisfied on all counts

- FTTH/B users are significantly more satisfied than DSL users on all aspects of the broadband product.
- Interestingly, satisfaction extends to aspects of the service that are not directly related to the fiber technology.
- This suggests that the satisfaction derived from better broadband is pervasive.

Satisfaction with Aspects of the Broadband Solution

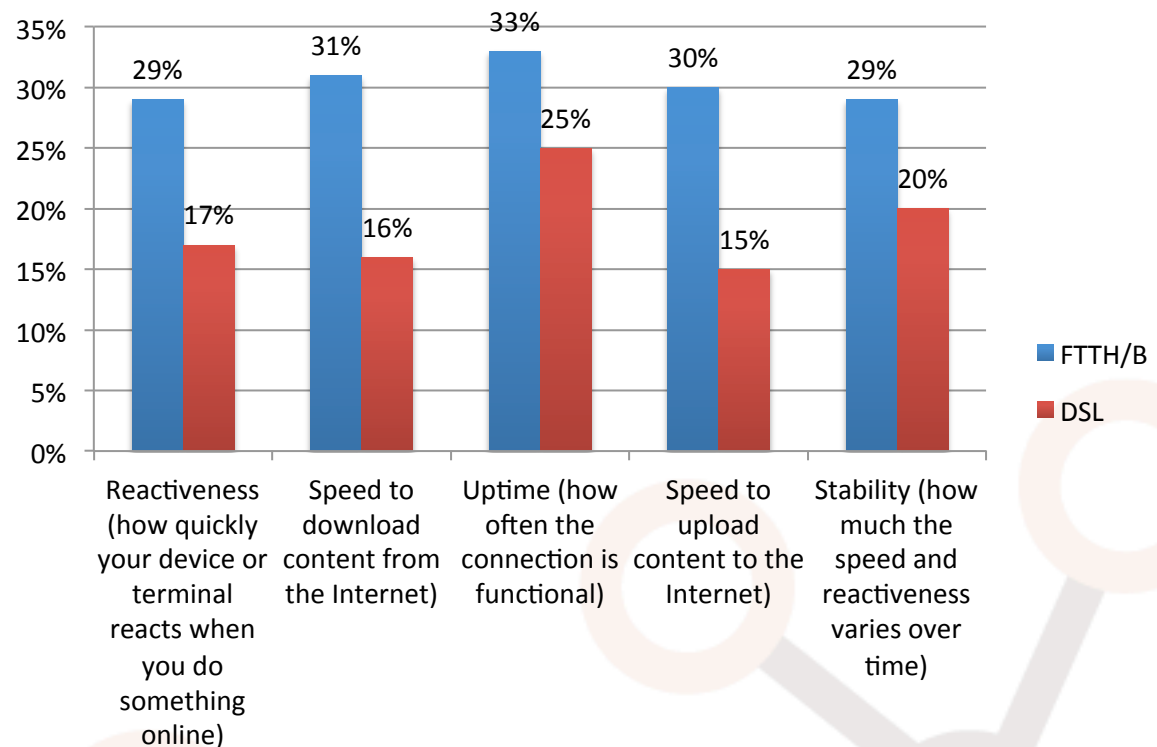


Source: FTTH Council Europe / Diffraction Analysis / Paradox' Opinion / OpinionWay

FTTH/B users are more satisfied on all technical aspects

- On technical aspects of the broadband service, FTTH/B users are more satisfied on all counts.
- In particular, they are very satisfied not only with download speed, but with upload speeds and latency as well.

Satisfaction with Technical Aspects of the Broadband Solution

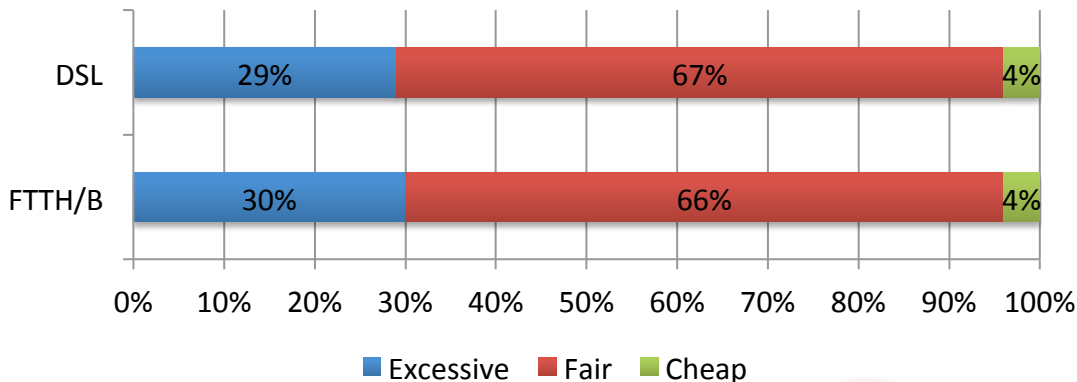


Source: FTTH Council Europe / Diffraction Analysis / Paradox' Opinion / OpinionWay

Price difference explains the lack of overall satisfaction gap

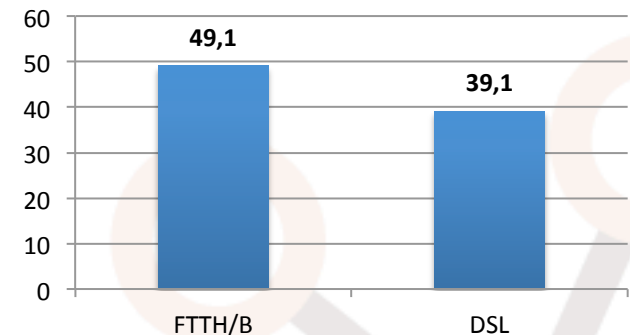
- In France (unlike Portugal and Sweden) the average spending for FTTH/B is significantly higher than for DSL, a 25% difference.
- As a consequence there is no significant difference between DSL and FTTH/B users about price perception of their broadband service.
- In France customers arbitrate between quality and price.

Price perception



Q: How would you rate the price of your current broadband solution?

Average Spending (€/m)

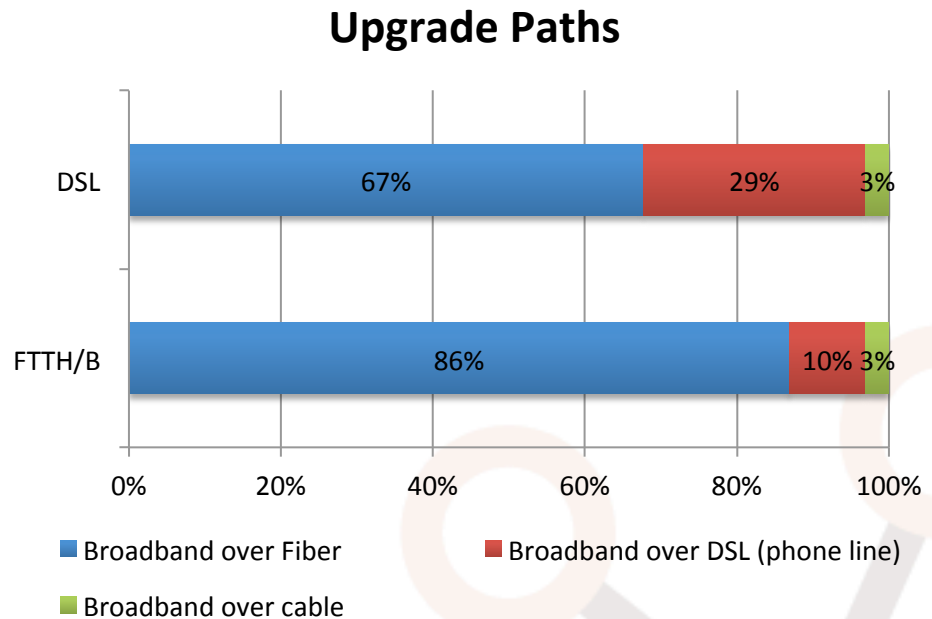


Q: What is the amount of your overall monthly broadband bill with, including television and home telephony if they are included in your package, but excluding mobile telephony?

Source: FTTH Council Europe / Diffraction Analysis / Paradox' Opinion / OpinionWay

Most DSL users would upgrade to fiber if they upgraded their broadband

- 67% of DSL users would upgrade to fiber broadband if they upgraded.
- 8% of DSL users certainly intend to upgrade within the next 12 months and 37% if we include those who would probably upgrade.
- 7% of FTTH/P users certainly intend to upgrade as well, 34% if we include the 'probably'.
- 57% of DSL users who will not upgrade state the lack of a better solution where they live as the main reason. 32% are satisfied with their current solution.
- Price differences certainly explain the lack of enthusiasm for migration.



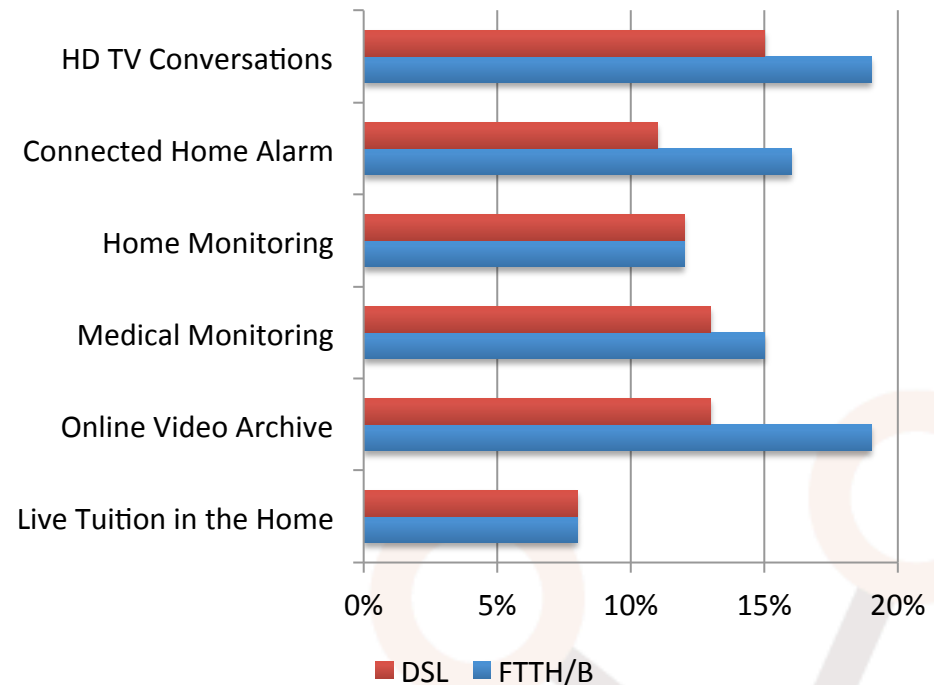
Q: If you were to upgrade your home broadband solution, which of the following types of broadband solution would you upgrade to?

Source: FTTH Council Europe / Diffraction Analysis / Paradox' Opinion / OpinionWay

There is no significant difference in behaviour between FTTH/B and DSL in France

- On average, FTTH/B users use their home internet connection 3,6 hours per day vs. 3,3 hours for DSL users.
- There is no measurable difference in what users do with their DSL or FTTH/B broadband when online.
- FTTH/B users show a moderately greater interest in some future services than DSL users: HD TV Conversations, Connected Home Alarm, Online Video Archive.

Interest in Future Service Concepts



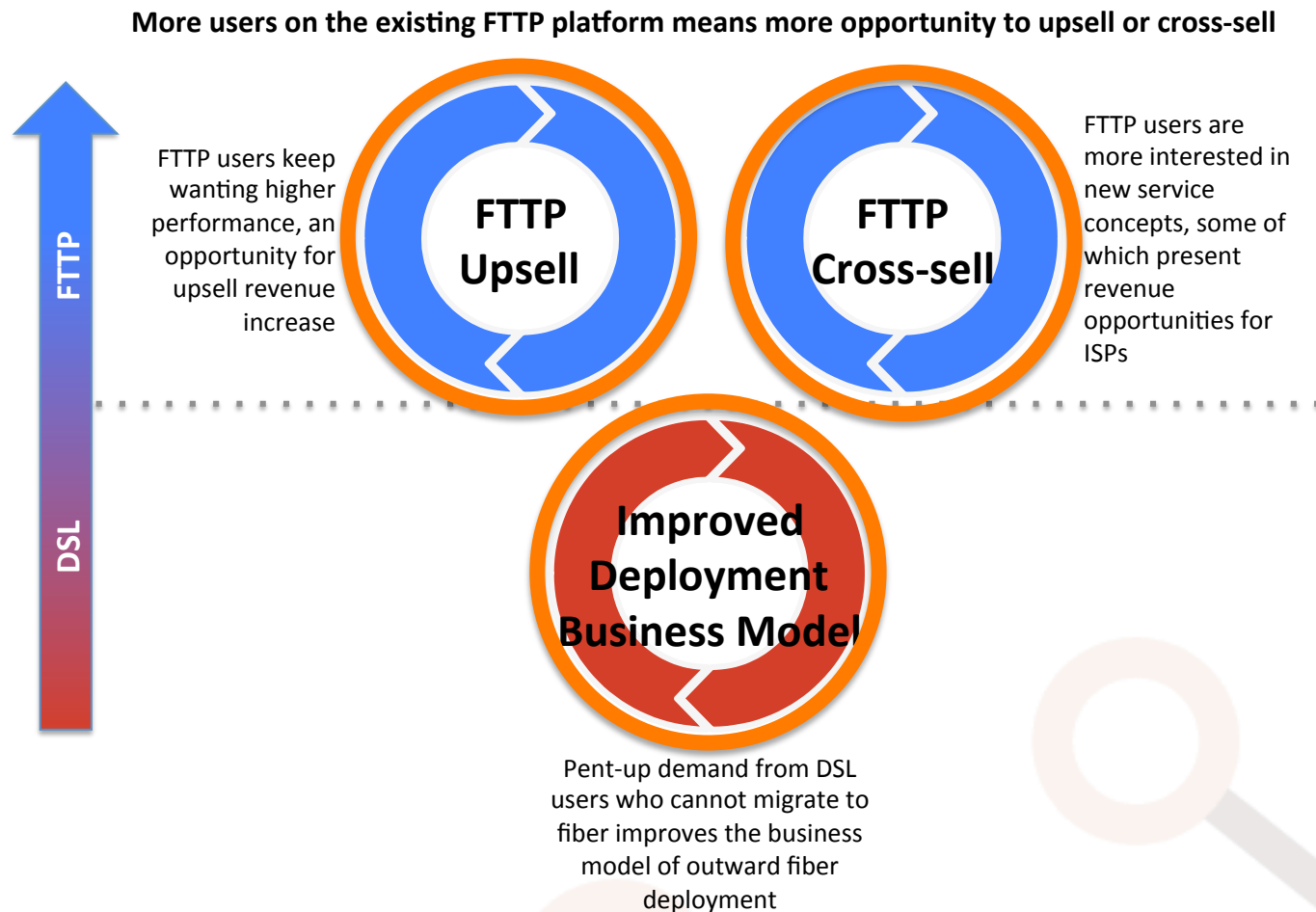
Q26.How interested you or members of your household might be in the following services in the future?

Source: FTTH Council Europe / Diffraction Analysis / Paradox' Opinion / OpinionWay

Conclusions

- While overall satisfaction was significantly higher amongst FTTH/B users in Sweden compared to DSL users, the satisfaction levels in France are quite similar: better quality of service and higher bills seem to balance out.
- The perception of the quality of FTTH/B does not extend to DSL users yet although distant upgrade intentions point to FTTH/B as the better platform.
- The unavailability of FTTH/B is cited as the the main obstacle for upgrading from DSL to FTTH/B.
- Unlike in Sweden, the differences in usage intensity or activity between FTTH/B and DSL users are still limited, which is expected in a such a young market (~3 yrs old vs 10 yrs old).
- Similarly, the cross-sell opportunities into 'future' services do not seem to be particularly skewed towards FTTH/B.

The Three Virtuous Circles (in Sweden)



Easier economics in fiber network extension feeds the revenue opportunity of FTTP

Source: Diffraction Analysis, 2014

Questions ?



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