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Why Consumers Love FTTH in Portugal –
The FTTH Consumer Experience Study

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Webinar

- 20-25 minutes presentation
- 15-20 minutes Q&A
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- 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 Portugal – The FTTH Consumer Experience Study

Moderator:

Jan Schindler

Market Intelligence Committee
FTTH Council Europe

Presenter:

Benoît Felten

CEO
Diffraction Analysis

FTTH/B Satisfaction and Usage in a Maturing Market

Benoît Felten, CEO
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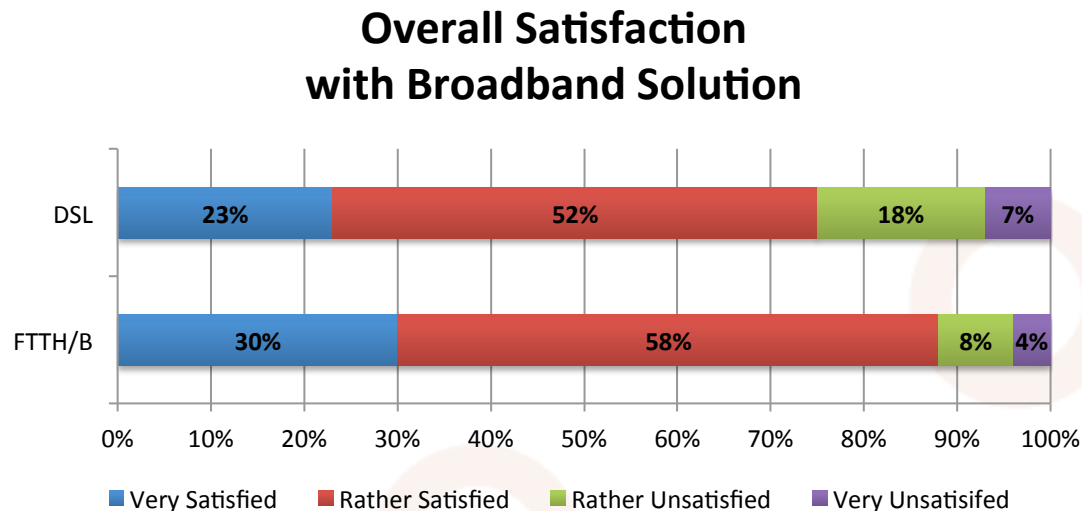
In assistance to

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 Portugal.
- 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 400 broadband respondents. The survey was run by Paradox' Opinion / OpinionWay.
- The sample included 300 FTTH/B users and 100 DSL users. The survey was conducted in Portuguese.
- The following presentation highlights the key findings.

FTTH/B users are broadly very satisfied with their broadband

- FTTH/B users are much more satisfied overall with their broadband solution. 88% declare themselves satisfied or very satisfied vs. only 75% for DSL users.
- Satisfaction levels are particularly high amongst Vodafone Customers (93%) and subscribers of speeds above 100 Mbps (93%).
- Unsurprisingly perhaps, satisfaction is lower amongst FTTH/B subscribers with higher monthly bills (82%)

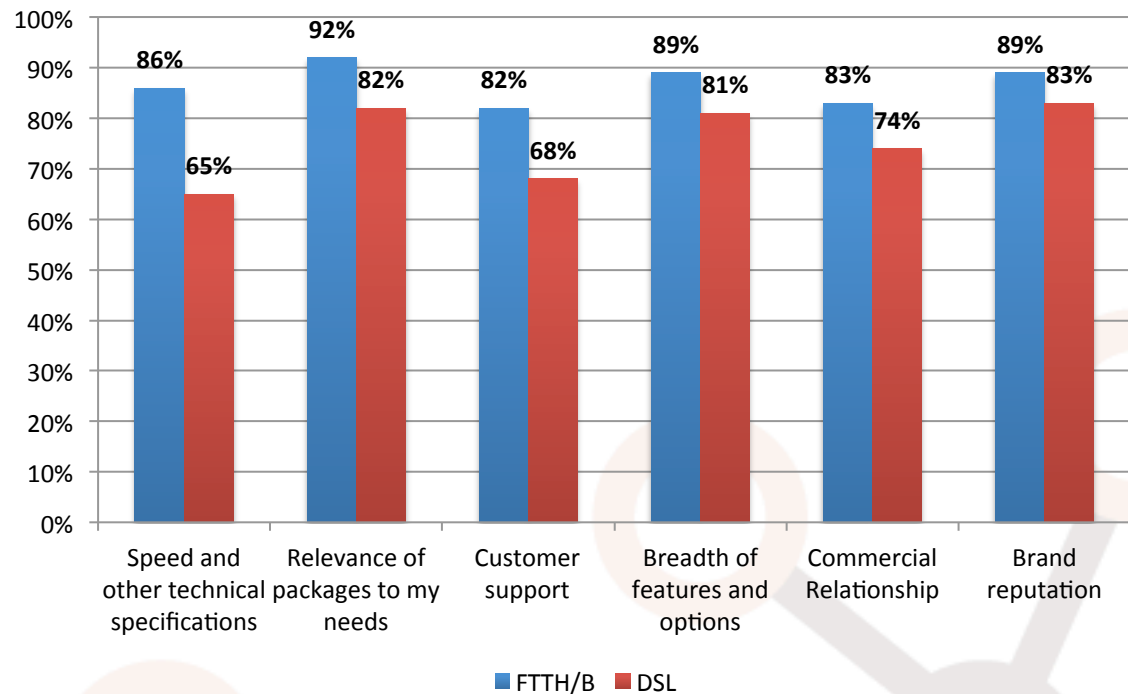


Source: FTTH Council Europe / Diffraction Analysis / Paradox' Opinion / OpinionWay

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

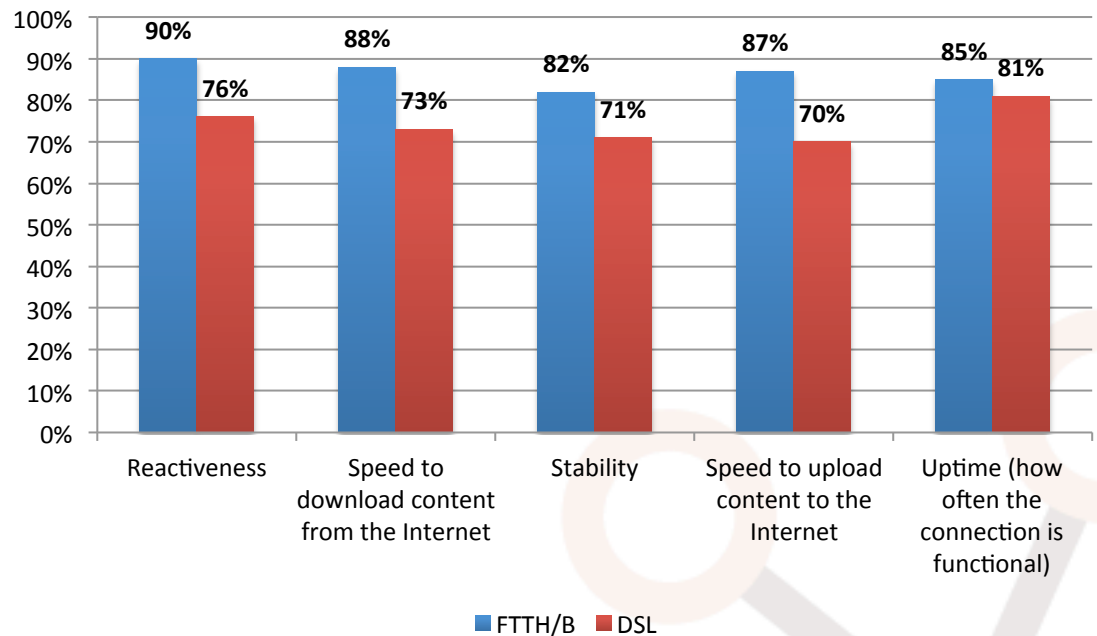


Source: FTTH Council Europe / Diffraction Analysis / Paradox' Opinion / OpinionWay

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.

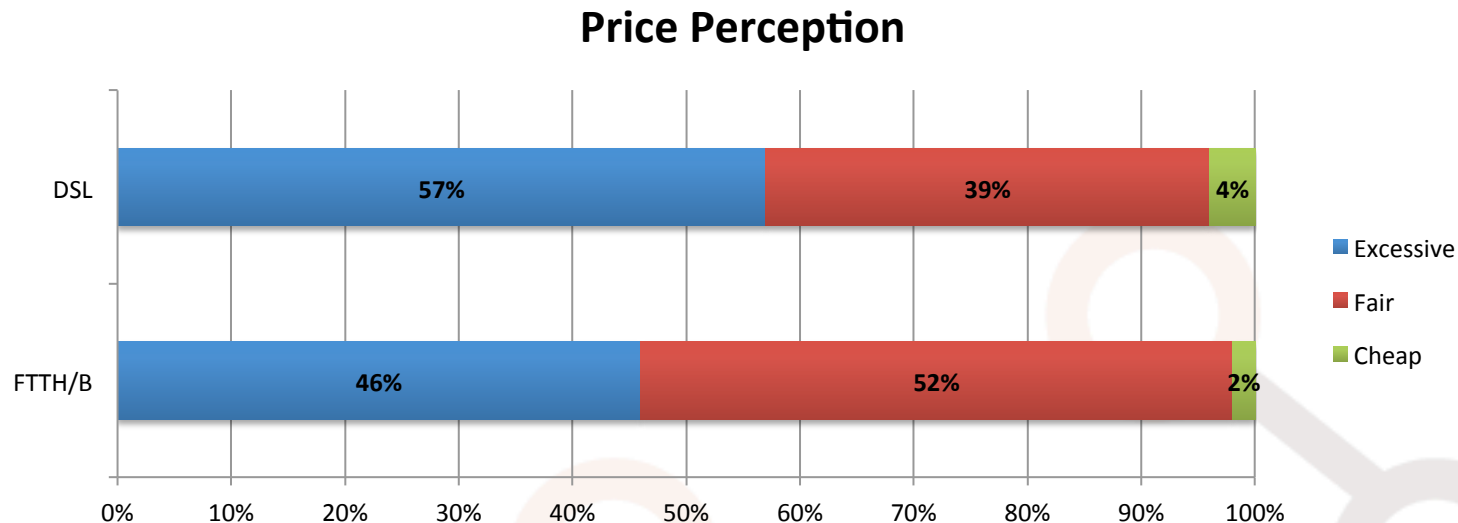
Satisfaction with Technical Aspects of the Broadband Solution



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

FTTH/B users find prices fairer than DSL users

- 57% of DSL users find the price of their broadband solution excessive but only 46% of FTTH/B users think the same.
- Average broadband bills (excluding mobile) are not significantly different between the two samples.
- The perception of pricing expressed is actually value for money: DSL users are frustrated with paying so much for what they know to be an inferior product.

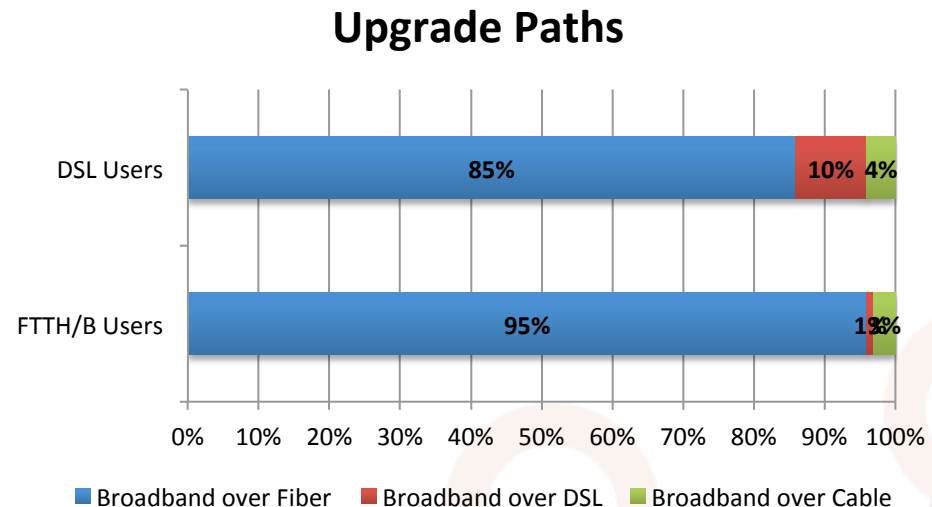


Q: How would you rate the price of your current broadband solution?

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

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

- 85% of DSL users would upgrade to fiber broadband if they upgraded.
- 27% of DSL users intend to certainly upgrade within the next 12 months and 63% if we include those who would probably upgrade.
- 13% of FTTH/P users certainly intend to upgrade as well, 56% if we include the 'probably'.
- 54% of DSL users who will not upgrade state being locked into a contract as the main reason.
- 43% state it is because there is no better solution where they live.



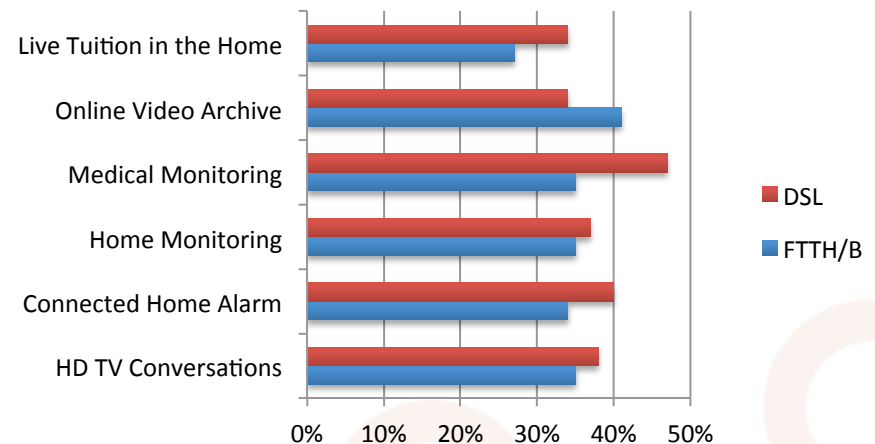
Q: If you were to upgrade your home broadband solution, which of the following types of broadband solution would you upgrade to?

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

There is no measureable difference in behaviour between FTTH/B and DSL in Portugal

- On average, FTTH/B users use their home internet connection 4,4 hours per day vs. 4,7 hours for DSL users.
- There is no measurable difference in what users do with their DSL or FTTH/B broadband when online.
- There is no measurable difference in appetite for future services between FTTH/B and DSL users.
- The strong importance of IPTV in the Portuguese market might explain this lack of difference in online usage.

Interest in Future Service Concepts



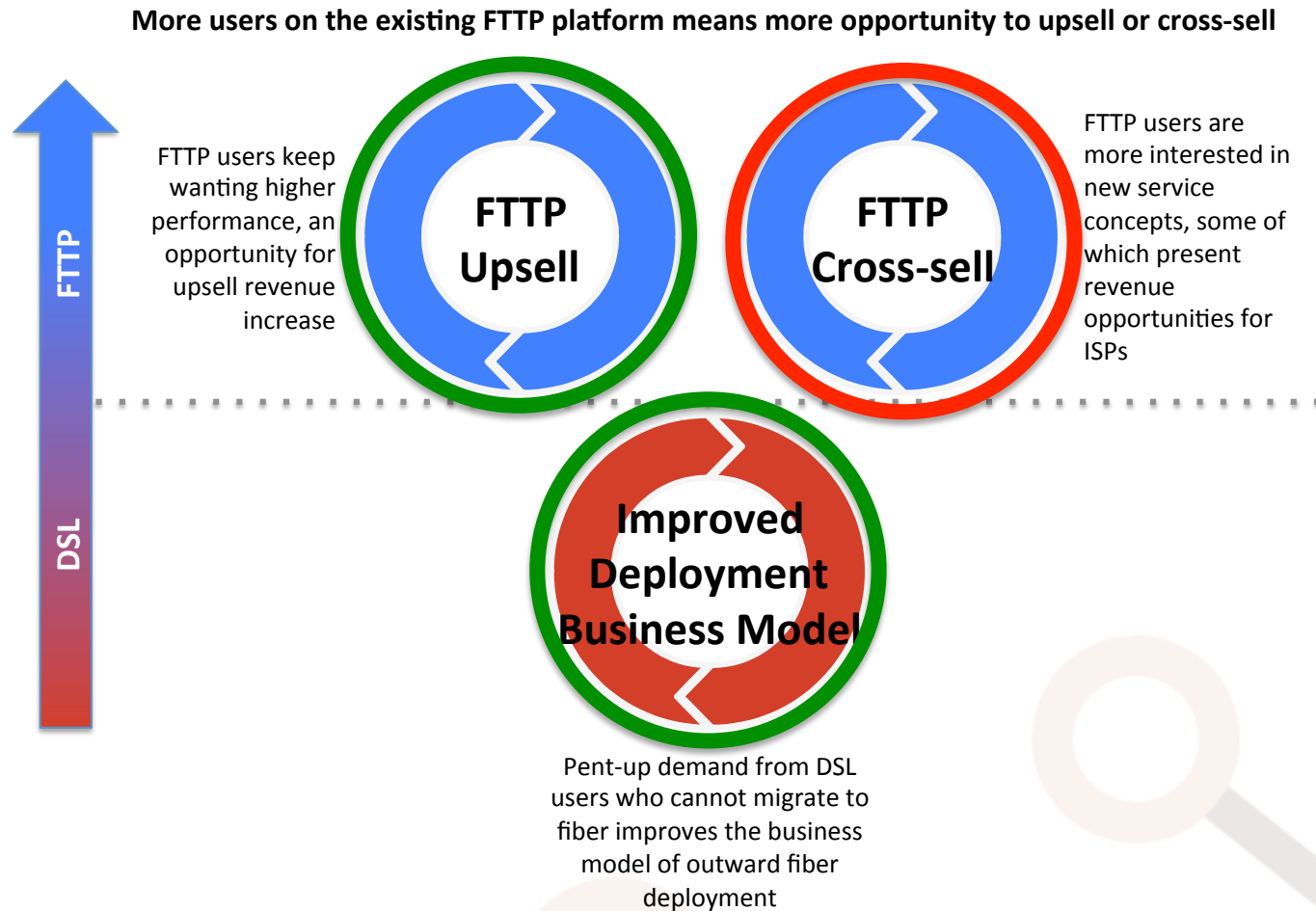
Q26. How interested you or members of your household might be in the following services in the future?

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

Conclusions

- The trends seen in Sweden in terms of satisfaction with FTTH/B are verified in Portugal even though the market is much younger (5 yrs old vs. 10+ yrs old).
- The perception of the quality of FTTH/B extends to DSL users who not only consider it to be a superior platform but will massively move to FTTH/B if or when they upgrade.
- DSL users are frustrated with their existing solutions, but many are either locked in contracts or don't have FTTH/B available.
- Unlike in Sweden, there is no visible difference in usage intensity or activity between FTTH/B and DSL users.
- 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 ?

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

16 June 2015
11 o'clock CEST

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<https://attendee.gotowebinar.com/register/3593967427217152001>





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