



**INCA has commissioned FDM to investigate the influence of infrastructure competition and the benefits that this can bring to Broadband Consumers**

- To achieve this FDM will analyse >50 postcodes with a mixture of Openreach, CFH, Virgin Media, Community Fibre and Hyperoptic network coverage
- For providers such as BT, TalkTalk and Vodafone offers will be classified as “Regional” if they differ from the standard “National” pricing headlined by the provider
- KPI’s tracked include, but not limited to: Promo Price, Standard Price, Average Monthly Cost (Contract), Total Contract Value, Speed (Download), Contract Length
- The below analysis has been conducted using the following speed ranges: 0-20, 21-50, 51-100, 101-200, 201-300, 301-500, 501-750, 751-1Gb, 1Gb+

1

**Consumers in “Regional offer postcodes” benefited from an average of 17% discount across all speeds tracked**

- Consumers purchasing Broadband packages within the 101-200Mbps speed range could save an average of 27% vs National pricing, equivalent to >£200 over the duration of their contract
- Consumers purchasing lower speeds (0-20, 21-50 and 51-100Mbps) had the lowest average savings – just 2% for 21-50Mbps and 11% for 51-100Mbps (0-20Mbps packages were not available in “Regional offer” postcodes)

2

**Of the “Major” ISP’s (defined by OFCOM as >1m customers) TalkTalk, Vodafone, BT and Virgin Media all ran “Regional offers”**

- TalkTalk and Vodafone’s “Regional offers” were targeted at 51-100Mbps and 751Mbps-1Gb packages
- BT and Virgin Media had the highest levels of speed diversity for “Regional offers”
- In the postcodes tracked Sky did not offer any Regional discounts

3

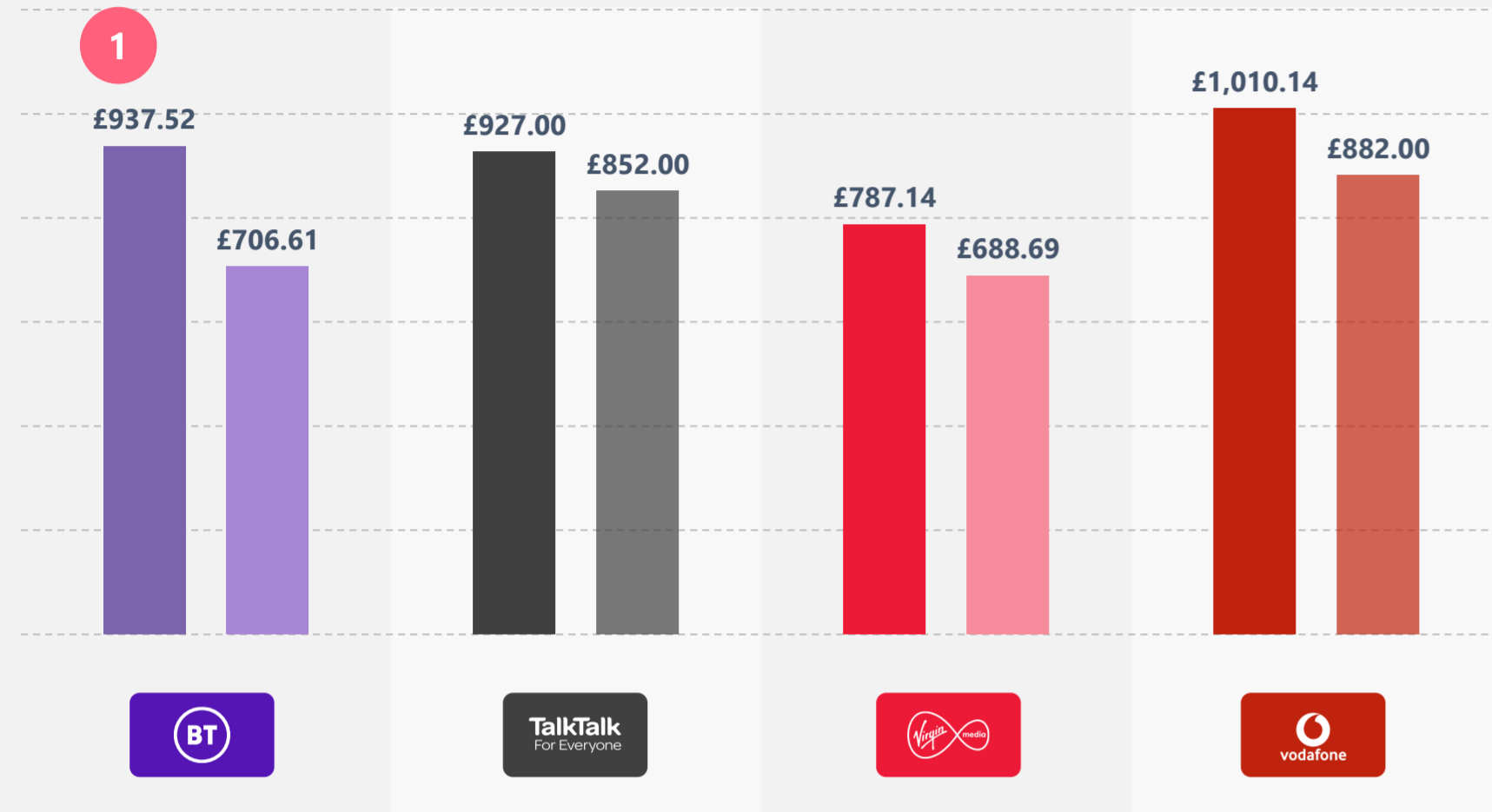
**Alt-Nets play an even more significant part in Regional value for Consumers**

- The average pricing offered by Community Fibre, Fibrehop, Giganet and Hyperoptic was an average of 46% cheaper than the Major ISP’s Regional offer pricing
- Over the duration of a contract this meant that Consumers with alt-net availability could save an average of £357.82

## Pricing Overview Discount Value By Major ISP's

Standard Promo

Regional Promo



## Average Contract Pricing Overview Regional vs Non-Regional by Speed

Mbps	Major National Pricing	Major Regional Pricing	Regional Saving
0-20	£32.30		
21-50	£32.35	£30.64	£1.71
51-100	£34.48	£30.59	£3.89
101-200	£36.82	£29.74	£7.08
201-300	£39.44	£30.50	£8.94
301-500	£45.84	£36.99	£8.85
501-750	£44.55	£44.50	£0.05
751-1Gb	£52.12	£43.63	£8.49
1Gb-2Gb	£62.71	£45.00	£17.71
2Gb+			

**1** Major ISP's offered an average of £133.13 of saving to customers in "Regional offer" postcodes

- Consumers taking BT offers would see the greatest discount with an average of £230.91 on packages offered with Regional Pricing
- TalkTalk and Vodafone both only offered discounts on two speed ranges 51-100Mbps and 751-1Gb

**2** When comparing Average Monthly Contract Cost of Major National and Major Regional Pricing there was an average saving of £7.09/month (16%) for Consumers taking Regional Pricing

**3** Whilst Regional Pricing from Major ISP's offers greater value than National offers from Major ISP's, Alt-Net pricing offers consistently better value with only 201-300Mbps seeing a greater saving via Regional Pricing from Major Networks

## Regional Offer Review Alt-Nets vs Major ISP's

Major National Major Regional Alt-Nets



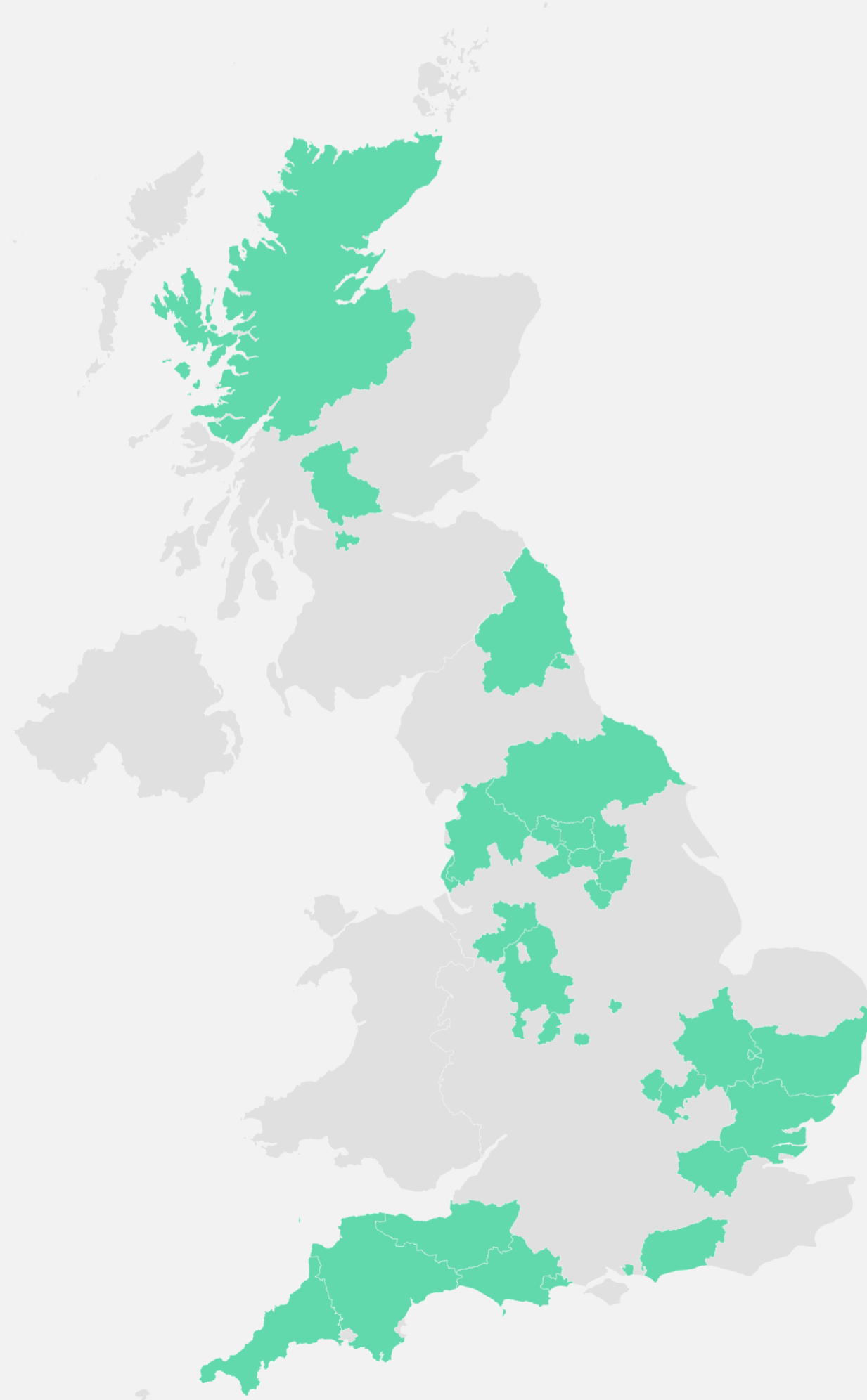
Source: FDM Regional Pricing Data – Average Monthly Contract Cost

Note: Comparisons only include Major ISP's who have both National and Regional offers to ensure like for like comparison. Alt-Nets include: Community Fibre, Hyperoptic, Fibrehop & Giganet

## Sample Coverage

FDM Regional Pricing Data

Regions Containing Postcodes tracked in this sample



## Pricing Overview

FDM Regional Pricing Data

Largest Package Variations with Network Breakdown

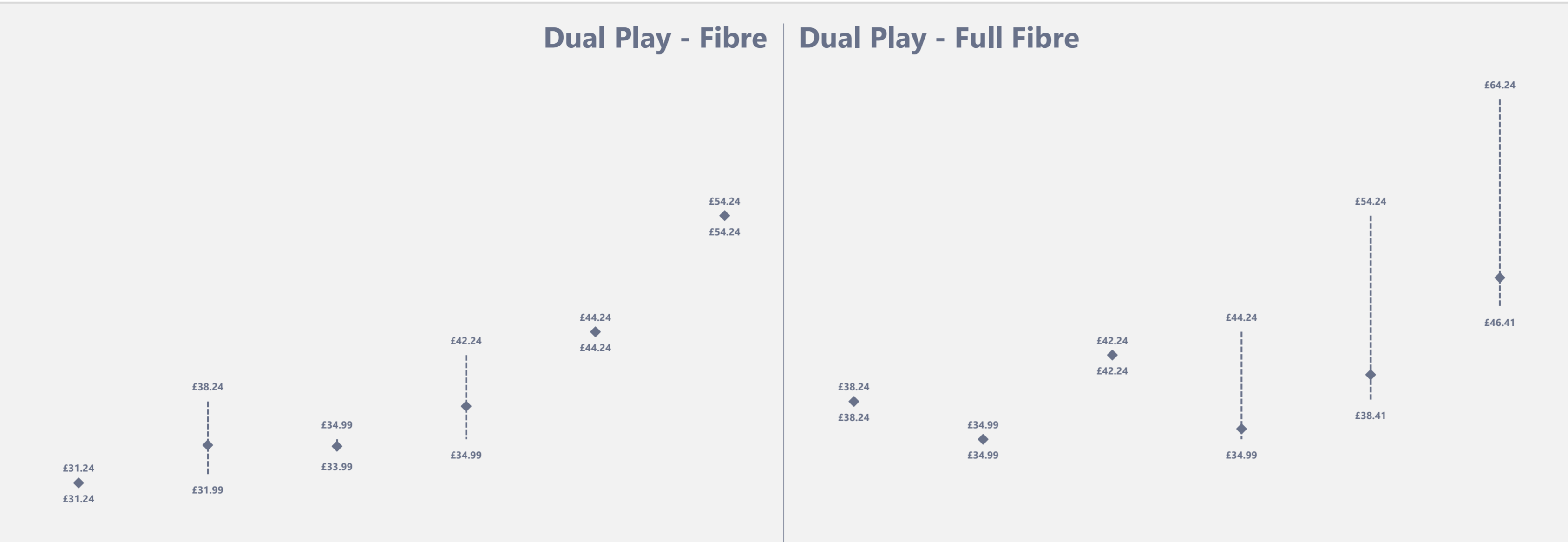
	Largest Variation (%)	Highest Price (Av. Monthly Cost)	Lowest Price (Av. Monthly Cost)
	<b>29%</b> Full Fibre 500 + Digital Line	<b>£54.24</b> openreach   	<b>£35.91</b> openreach   
	<b>4%</b> M50 Fibre Broadband Broadband Only	<b>£26.00</b>  	<b>£25.00</b> openreach   
	-	-	-
	<b>9%</b> Full Fibre 900 Broadband Only	<b>£49.63</b> openreach  	<b>£45.00</b> 
	<b>22%</b> Full Fibre 900 Broadband & Phone	<b>£46.00</b> openreach  	<b>£36.00</b> 

- In this Sample of FDM Regional Pricing data, 62 postcodes are distributed across 33 local authorities**
  - The Sample covers postcodes on the Openreach FTTC, Openreach FTTP, CityFibre and Virgin Media networks, and all combinations of overlap thereof
- BT offered the largest variation in pricing across postcodes, with its Full Fibre 500 + Digital Line package priced 29% below its highest price in some locations**
  - However, the lowest price for Full Fibre 500 was found in all network configurations, suggesting BT's regional pricing strategy is not simply based on network availability
- Virgin Media discounts its M50 Fibre Broadband package by £1.00/month wherever it is in competition with Openreach FTTP or CityFibre providers**
  - Where Virgin Media's network alone is available, it retails at its higher price point of £26.00/month
- TalkTalk and Vodafone both offer cheaper prices to customers whenever the CityFibre network is available**
  - This strategy may be driven by wholesale cost differentials between Openreach and CityFibre





All Postcodes  
Maximum, Minimum, Average  
(Average Monthly Cost)



- 1** For its Fibre packages, BT offers lower prices, on average, when VMO2 or CityFibre Full Fibre packages are available to customers

  - Customers in these areas would be able to achieve higher speeds with BT's competitors
- 2** Where BT's Full Fibre packages are available, it offers cheaper prices where there is network competition

  - The cheapest average package prices are available in postcodes with direct competition one-on-one vs. CityFibre or VMO2
- 3** The largest variations between the maximum and minimum prices found in our sample were at the highest Full Fibre speeds

  - On Full Fibre and 500 and 900 packages, the variation was >£15.00/month
- 4** There is no pricing variation on BT's Gfast packages

  - This is despite these packages being in competition with higher CityFibre and VMO2 package speeds at some locations

Average AMC	Broadband	Fibre Essential	Fibre 1	Fibre 2	Fibre 100	Fibre 250	Full Fibre Essential	Full Fibre 1	Full Fibre 2	Full Fibre 100	Full Fibre 500	Full Fibre 900
Openreach FTTC Only	£31.24	£36.68	£34.71	£39.82	£44.24	£54.24	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Openreach FTTP	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	£38.24	£34.99	£42.24	£36.82	£43.39	£52.26
CityFibre	Not Available	£38.24	£32.49	£42.24	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
VMO2	£31.24	£32.56	£34.08	£35.80	£44.24	£54.24	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Openreach & CityFibre	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	£38.24	£34.99	£42.24	£34.99	£38.41	£46.41
Openreach & VMO2	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	£38.24	£34.99	£42.24	£35.49	£39.73	£47.98
CityFibre & VMO2	Not Available	£32.88	£31.63	£36.44	£44.24	£54.24	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
All Networks	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	£38.24	£34.99	£42.24	£36.02	£40.17	£48.39

**Note:** Dual Play package defined as Broadband + Landline (Copper or VoIP)