

A man with short brown hair and a blue sweater is seen from the side, sitting at a wooden table and typing on a laptop. On the table are a white mug, a small blue bowl of cookies, a tablet, and a green toy car. In the background, a woman and a child are sitting on a green sofa in a bright, modern living room.

Broadband quality
and resilience: a key
consumer concern
during COVID-19

New EY consumer research of 2,500 households, conducted 27 May-1 June, explores perceptions of and attitudes towards broadband performance and service providers during the pandemic.

In the first report of this three-part series, *More engagement, more anxiety*, we explored how digital behaviours and attitudes in the home are in flux in the wake of COVID-19 and resulting lockdown measures.

This second report delves into how lockdown measures and social distancing have placed a dramatic new importance on resilient and reliable home broadband connectivity. Connectivity providers should take note and act now to meet changing customer needs.

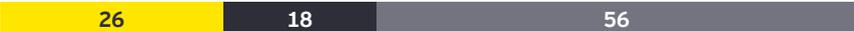
One in four households are concerned about broadband performance

While EY's consumer research during the COVID-19 crisis suggests consumers think broadband providers have handled the pandemic well – three in four believe they are coping well, above other types of TMT provider – many households are experiencing connectivity issues. Twenty-five percent are concerned by a reduction in broadband quality since the start of lockdown and 26% believe inconsistent broadband is affecting their ability to work from home. Meanwhile, one in five are experiencing disruption to digital activities when multiple household members are simultaneously online.

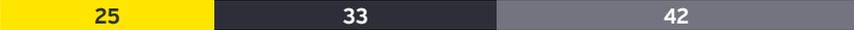
Many households are experiencing a reduction in broadband quality since the start of the lockdown

% respondents

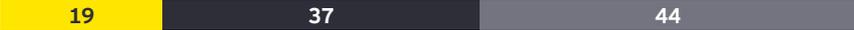
Inconsistent broadband performance is making it difficult for me to work from home



I am concerned by the reduction in the quality of my broadband service since the beginning of the COVID-19 situation



I find it difficult to connect to or maintain a good connection to video calls when other members of my household are also online during the COVID-19 situation



■ Agree ■ Neither agree nor disagree ■ Disagree

Younger households are more exposed to these concerns. Thirty-two percent of 18-24 year olds worry about a reduction in broadband quality, with 38% of this group also finding it difficult to work from home as a result of inconsistent broadband performance. The same is true of larger households – 31% of homes with children have been concerned about a downturn in performance during the crisis.

Switching propensity rises dramatically if better quality and speeds were guaranteed by another provider

EY survey data suggests that switching connectivity providers hasn't been top of mind for customers during the crisis. Only 16% of broadband users say the COVID-19 situation has made them more likely to consider switching provider in the next six months, and this drops to 7% of mobile users.

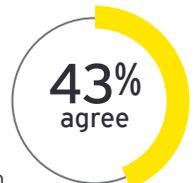
However, if households could get a guaranteed improvement in broadband quality and speed, then 43% would consider switching during or soon after the pandemic. This is well above the number apparently experiencing performance issues, suggesting poor performance is a latent issue for many.

More households would switch if better performance was guaranteed elsewhere

Households that say the COVID-19 situation has made them more likely to consider switching provider in the next six months



I would consider **switching** during or soon after the lockdown period if a different provider could deliver a **guaranteed improvement** in the quality and speed of my connection



Younger users and larger households show an elevated appetite to switch if better broadband quality could be assured. Interestingly, households in dense urban locations do too – 52% agree, ahead of the 46% of rural respondents prepared to switch.

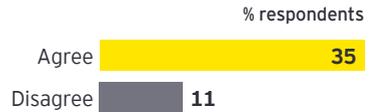
While bridging the digital divide is a key driver of infrastructure policy and strategy, it's interesting that customers in areas historically well-served by digital infrastructure are even more focused on broadband speed and quality than those in rural areas.

Reliability is the ultimate consumer need, and consistent performance is critical for households

The need for speed is important, but the current situation has made households realise that reliability is the ultimate broadband attribute – only 11% disagree this is the case. Broadband speed and reliability are not mutually exclusive, but in a world where service providers differentiate on headline speeds, it is instructive that resilience is households’ primary concern.

Broadband reliability is top of mind

The COVID-19 situation has made me realise that I value the resilience and reliability of my home broadband over the speed of the connection



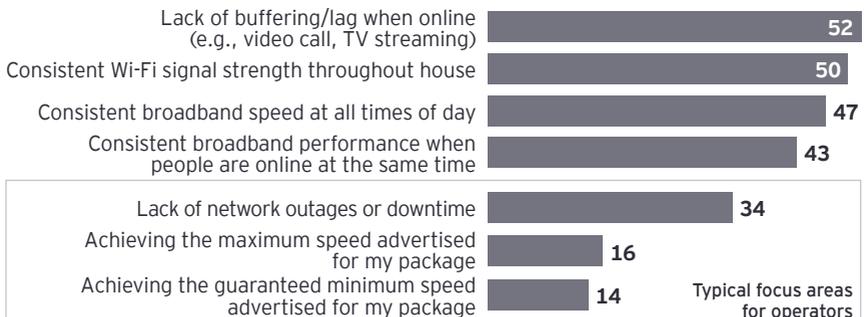
Interestingly, achieving maximum or minimum guaranteed speeds are not the top issues for households when they assess broadband reliability. Instead, lack of buffering alongside consistent performance at different times of the day, in different parts of the house and when multiple household members are online all lead as indicators of reliability.

Surprisingly, even ‘lack of network outages’ – telcos’ number one indicator of reliability – ranks below these considerations. This mindset is also reflected in consumer perceptions of what they value more now in broadband packages compared with before. Forty percent cite high-quality Wi-Fi routers and hubs, well ahead of introductory offers (18%), for example.

Network outages and the customer speed promise are not the big issue – it’s all about consistent signal and consistent speeds

Which three, if any, of the following are the **most** important ways in which you assess how reliable your broadband connection is?

% respondents



Effective guidance to help maintain network quality is missing – and consumers lack awareness of ‘self-help’ measures

In this climate of increased reliance on home broadband, many households are looking for more support from their service providers. This stretches beyond customer-driven outreach – 21% say that they value ongoing practical guidance more than before, while 20% value regular updates and information more now than they did in the past. In this light, there is room for significant improvement. Only 13% think their provider has given effective tips on how to get the most out of their connection – and more than half disagree this is the case.

Proactive guidance from broadband providers leaves a lot to be desired

My broadband provider has proactively given effective tips on how to ensure a reliable connection during the lockdown period

% respondents



Service providers should take note – especially because consumer awareness of simple tips that could improve broadband performance is limited. When asked about different steps households could take themselves, no single method scored above 60%. The leading measures were reducing the number of devices connected to the Wi-Fi router (56%), placing the Wi-Fi router away from objects that interfere with signals (55%), and using an ethernet cable to connect to the Wi-Fi router (53%). Eighteen percent of households had no awareness of any of the nine options we provided.

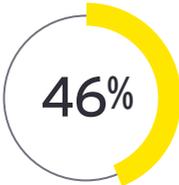
Household receptivity to virtual support channels has dropped since the start of lockdown

In EY's previous COVID-19 survey, conducted in March, we found that nearly half of broadband users would welcome digital support channels to provide quick access to customer support. However, receptivity to automated customer services or virtual assistants has declined in the last past two months – 38% would welcome digital channels, compared with 46% previously. This is despite a steady proportion – one in four customers – having a poor experience with call centres during the crisis.

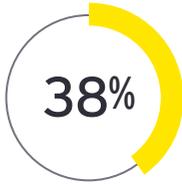
Consumer appetite for virtual assistants decreases

I would be happy to use automated customer services/virtual assistants during the COVID-19 situation to ensure quick access to customer services

% respondents agree



March 2020



June 2020

The contact centre still resonates strongly with customers – in fact, 28% say they value technical support via call centres more than before, compared with 18% who value chatbot-based self-serve features more than before. And while up to one in four customers would prefer to use chatbots over the contact centres for queries such as package alterations, payments and performance issues, 42% don't see any queries that could be better met via instant messaging capabilities.

Only half of households understand fibre broadband concepts and terminology

While households feel they are missing out on practical and proactive communications from their service providers, they also face more fundamental knowledge gaps. At a time when a new wave of digital infrastructure – and related service propositions – are appearing on the market, consumers find it difficult to assess the upside promised by fibre broadband in terms of speed and reliability.

Only 54% are aware of the differences between different technologies such as fibre, cable and full-fibre, while only 42% understand marketing terms such as 'ultrafast' and 'superfast' and what these types of broadband package offer in terms of speed. Meanwhile, only 52% realise that many packages described as 'fibre broadband' are partially delivered using copper wires. Crucially, awareness levels are lowest among 18-24 year olds, the very customers who are most likely to experience poor performance issues, and who could benefit from these latest packages.

Consumers are confused over fibre concepts and terminology

% respondents

I am aware of the difference between different broadband technologies (e.g., fibre, full-fibre, cable, etc.) and the benefits that each of them offers in terms of speed and reliability



I am aware that services commonly advertise by internet service providers as 'fibre broadband' are often delivered to homes and businesses using a mix of copper wires and fibre cable



I am aware of the different terms used to advertise broadband (e.g., ultrafast, superfast, gigafast, etc.) and the benefits that each of them offers in terms of speed

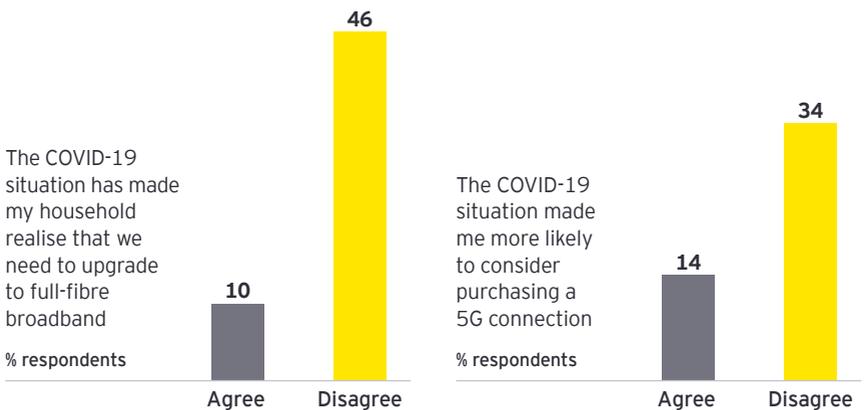


■ Agree ■ Neither agree nor disagree ■ Disagree

Full-fibre and 5G upgrade intentions remain low

While broadband quality and resilience has never been in greater focus among households, consumer desire to upgrade to faster, more reliable packages is relatively muted. While it has trended up a little since March – 10% of households think the current situation has made them realise they need to upgrade to full-fibre broadband and 14% believe the crisis has made 5G mobile more appealing – a much higher proportion disagree. Confusion around the benefits of the latest technologies is likely contributing to these low upgrade intentions.

Consumer interest in upgrading to full-fibre broadband and 5G mobile remains low



Meanwhile, interest in sophisticated bundles that marry broadband, TV and mobile services is muted. Only 14% believe that the COVID-19 situation has made them realise the value of getting all their connectivity and content from a single supplier. At a time when 27% believe the crisis has made them more engaged with the subscription packages they buy, it's clear this isn't translating into a 'convergence mindset'.

Four actions for connectivity providers to take now

Reliable and resilient broadband has become a critical consumer issue due to COVID-19. Yet EY's June survey shows there is a disconnect between customers and service providers around network quality. The way customers evaluate broadband reliability is different to how operators measure network resilience while household understanding of fibre propositions and terminology is limited. As a result, upgrade intentions don't reflect true demand for higher quality services.

At the same time, households don't feel they are receiving effective guidance and tips, while receptivity to digital support channels has dropped in recent months. To improve their relationships with households – and make the most of customer demand – we believe there are four key considerations that service providers should address.

1 Overhaul your broadband value proposition to cater for reliability as well as speed

Broadband speed promises are less important to households than a reliable and resilient connection that works throughout the home for all household members. Refreshing your proposition in ways that communicate value well beyond headline speed is vital if you are to boost upgrade intentions and build higher levels of trust with your customers. Make sure to adopt your customers' mindset when communicating about reliability – buffering, Wi-Fi signal reach and consistent speeds throughout the home are more important to them than network downtime or maximum and minimum speeds.

2 Demystify full-fibre broadband and what it can offer households

Clear communication about what full-fibre broadband is – and the benefits it offers – will remove the fog of confusion for consumers. A range of similar sounding terms are used by service providers to highlight high performance packages, but half the market don't understand fibre concepts and can't make sense of marketing terminology. A different kind of dialogue is needed that does justice to new technology capabilities without losing sight of the tangible benefits more sophisticated packages can provide.

3 Provide better practical guidance and build more confidence in the Wi-Fi experience

Consumers are more receptive to practical guidance than ever before. Create a new cadence of proactive communications that help customers achieve a more consistent and rewarding broadband experience – clear and simple tips can go a long way. And don't underestimate the importance of a robust home hub: high-quality Wi-Fi routers are more valued than introductory offers or additional services as broadband package attributes.

4 Create an integrated and seamless customer support experience

Openness to digital support channels has dropped since the early weeks of lockdown. While many customers will continue to value the call centre, now is the time to ensure that digital channels act as a natural complement to customer service agents. A more integrated relationship between digital support channels and the call centre is essential if you are to boost customer satisfaction, loyalty and trust in the long term.

For more insight
into the digital home
and how to serve it,
please contact:

Praveen Shankar

EY UK&I Technology, Media
and Telecommunications
Leader

pshankar@uk.ey.com

Adrian Baschnonga

EY Global Lead Analyst,
Telecommunications

Twitter: [@Baschnonga](https://twitter.com/Baschnonga)

abaschnonga@uk.ey.com

Martyn Whistler

EY Global Lead Analyst,
Media and Entertainment

Twitter: [@MartynWhistler](https://twitter.com/MartynWhistler)

mwhistler@uk.ey.com

Andy Edge

Assistant Director,
Economic Advisory
Ernst & Young LLP

aedge@uk.ey.com

EY | Assurance | Tax | Strategy and Transactions | Consulting

About EY

The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. For more information about our organization, please visit ey.com.

© 2020 EYGM Limited.

All Rights Reserved.

EYG no. 005317-20Gbl

ED None



In line with EY's commitment to minimize its impact on the environment, this document has been printed on paper with a high recycled content.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax or other professional advice. Please refer to your advisors for specific advice.

ey.com/en_uk/tmt