

Price is most important factor in choosing broadband service provider

Contributed by GfK NOP
Friday, 21 July 2006
Last Updated Friday, 21 July 2006

Offering the lowest price as a broadband supplier should be a highly compelling market position as nearly two thirds (65%) of broadband customers say this is one of the most important factors in choosing a supplier.

Price is most important factor in choosing broadband service provider, but reliability matters...

Offering the lowest price as a broadband supplier should be a highly compelling market position as nearly two thirds (65%) of broadband customers say this is one of the most important factors in choosing a supplier. This is good news for BSkyB and Carphone Warehouse as they roll out their new low cost bundled services, but other factors clearly play a role in people's decision.

New research carried out by GfK NOP in June 2006, using the IUPS (Internet User Profile Survey), indicates that the reliability of the service has risen as a key factor from 18% (December 2005) to 38% (June 2006) of broadband customers. This is more of an issue for experienced Internet users, who might be more tempted to switch than new entrants to the market, who lack experience of what could go wrong. Good customer service and reputation of the company are also rising factors. These issues all point to consumer's need to feel comfortable about their broadband provider.

Niall Rae, Director of GfK NOP's IUPS survey said: "Carphone Warehouse's Talk Talk service has received high recognition with 15% of Internet users aware of the service, according to our survey, plus achieving a 2% share of the broadband market, in a matter of months. This correlates very closely with the published figure of 350,000 connections. BSkyB may be in an even better position soon, with 37% of broadband users subscribing to its digital TV service. BSkyB's offer is, however, geographically limited at the moment and so other competitors have therefore got time to respond."

BT's video-on-demand service is due to launch in the Autumn and so we will see how well BSkyB and BT can transfer their brand and service strengths into each other's market, but price will play a key role in the outcome of the contest.

For more information, please contact Niall Rae on 020 7890 9233 / niall.rae@gfk.com