



GIBRALTAR REGULATORY
AUTHORITY

Broadband Customer Satisfaction Survey

Report – C11/17

14th December 2017

FOREWORD

This report is based on results collated from the 'Broadband Customer Satisfaction Survey', carried out by the GRA's Communications Division during the second quarter of 2017.

The purpose of the survey was to assess and understand the opinions and experiences of local subscribers with regards to the residential broadband services which they purchase or have purchased in the past.

For more information regarding the survey, please contact the Communications Division.

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EXECUTIVE SUMMARY

In an effort to better understand the local broadband market, the Communications Division (the "Division") of the Gibraltar Regulatory Authority (the "GRA") conducted a Broadband Customer Satisfaction Survey (the "survey"). The survey was designed to look into specific aspects of the services consumers were purchasing and learn about which areas, in their opinion, broadband providers (the "providers") were offering a good service and identify areas where customers were dissatisfied.

The local broadband market has changed significantly over the last few years. Consumers now enjoy the freedom to choose from a number of providers¹ and are able to purchase ultra-fast Fibre-to-the-home ("FTTH") broadband, with speeds of up to 300mbps.

The Division launched this survey as part of an awareness campaign. Information on the broadband services available locally, together with guidance notes and general information on broadband, was circulated on social media. The Division visited prime locations in Gibraltar to carry out the survey. The public interacted well to open discussions on telecommunications, as well as the survey in question, and were happy to discuss and comment on issues which they thought were important.

The Division designed the survey to be available in different forms e.g. electronically by making use of a web based facility² so that participants could complete the survey from their computers or mobile devices.

A link to the survey was also provided on social media, by email and the GRA's website. The Division specifically chose this input method due to its ability to sort and collate the data in real time, meaning that the Division could monitor the progress during the survey period.

The following report shows the questions posed and results of the survey.

¹ Dependent on network coverage.

² Google Forms.

BROADBAND SERVICES

Q.1) What provider(s) are you currently purchasing broadband from? You may select more than one provider from the options below.

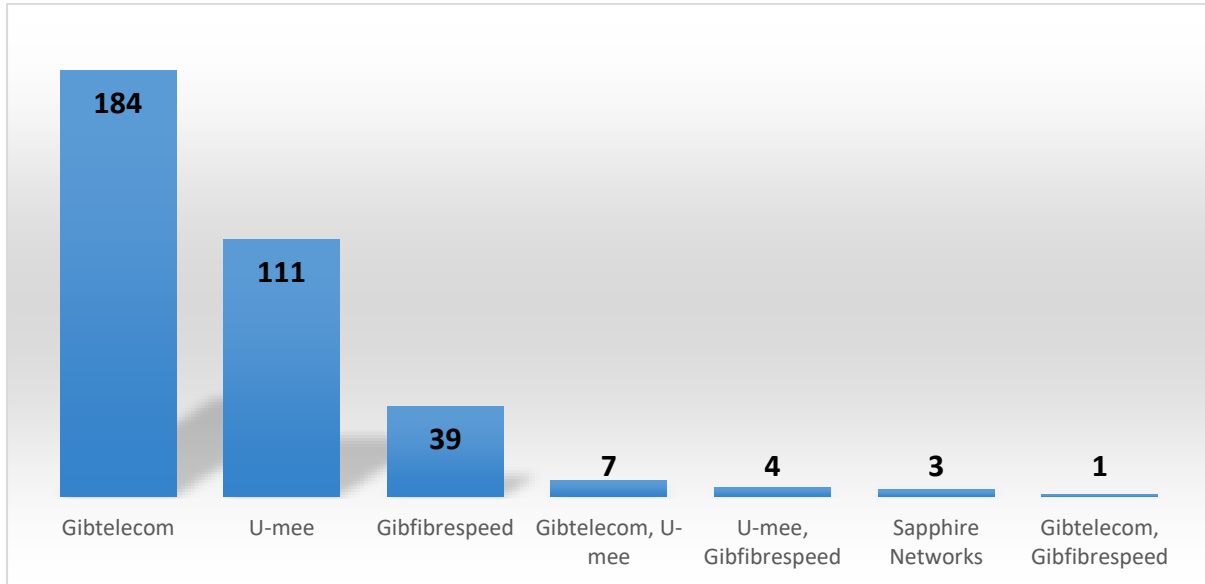


Figure 1. What provider(s) are you currently purchasing broadband from?

Of the 350 people who took part in the survey, 184 were Gibtelecom customers, 111 were U-mee customers, 39 were Gibfibrespeed customers and 3 were Sapphire Networks customers. We would expect this to be the case given that Gibtelecom, in fact, currently holds the largest share of the broadband market in terms of subscriber numbers³, followed by U-mee, Gibfibrespeed and Sapphire Networks respectively.

A few people were contracting services from more than one provider. Customers may be doing this in order to “mix and match” the use of bundled services from two providers at the same time.

³ Approximate residential broadband market shares at time of publishing: Gibtelecom 57%, U-mee 24%, Gibfibrespeed 17.5% and Sapphire Networks 1.5%.

Q.2) Have you ever purchased broadband services from another provider at this same address?

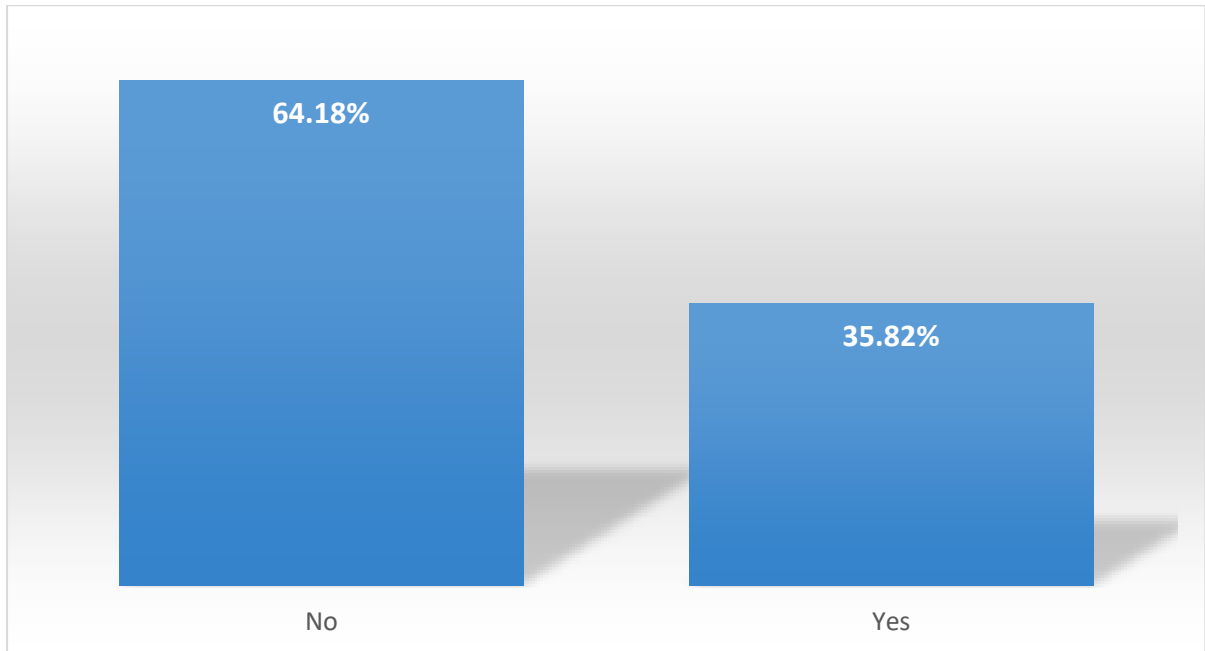


Figure 2. Have you ever purchased broadband services from another provider at this same address?

Q.3) If your answer to Q.2 was yes, please identify the provider(s) by selecting from the corresponding options below.

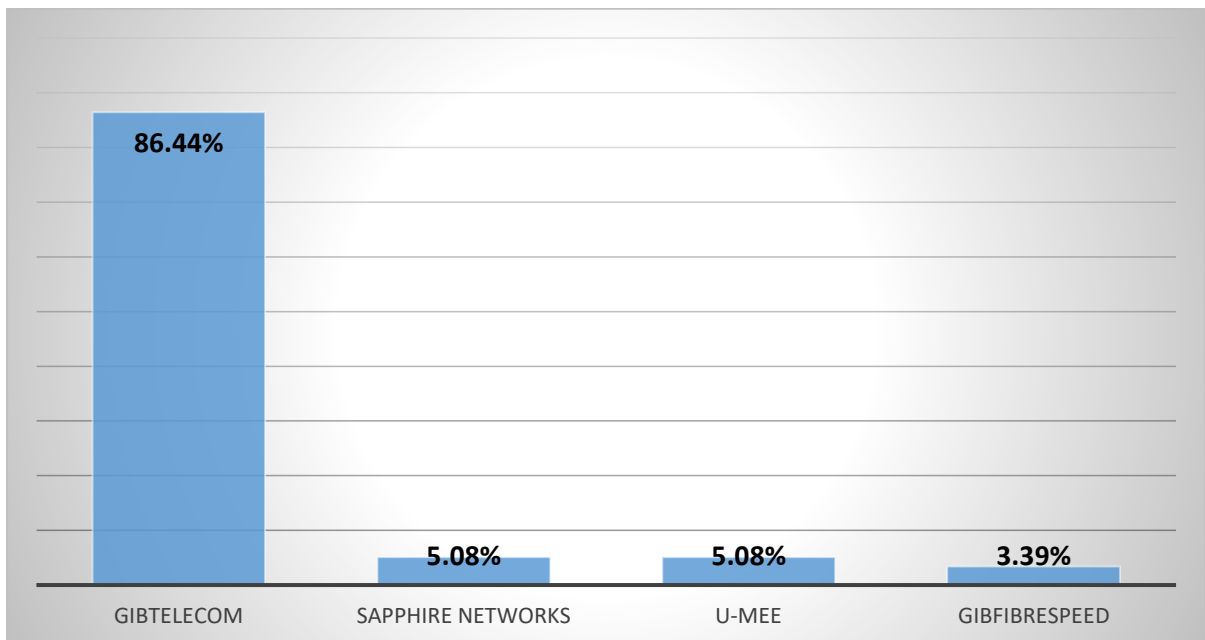


Figure 3. Have you ever purchased broadband services from another provider at this same address?

The results in Figure 2 above show that approximately two thirds of those surveyed had previously bought services from another provider. However, Figure 3 shows that 86% of those who had changed provider, had moved away from Gibtelecom.

Q.4) If a higher speed (bandwidth) broadband package is available from the provider which you currently subscribe to, what factor is preventing you from upgrading to a higher speed? You can select more than one option if necessary.

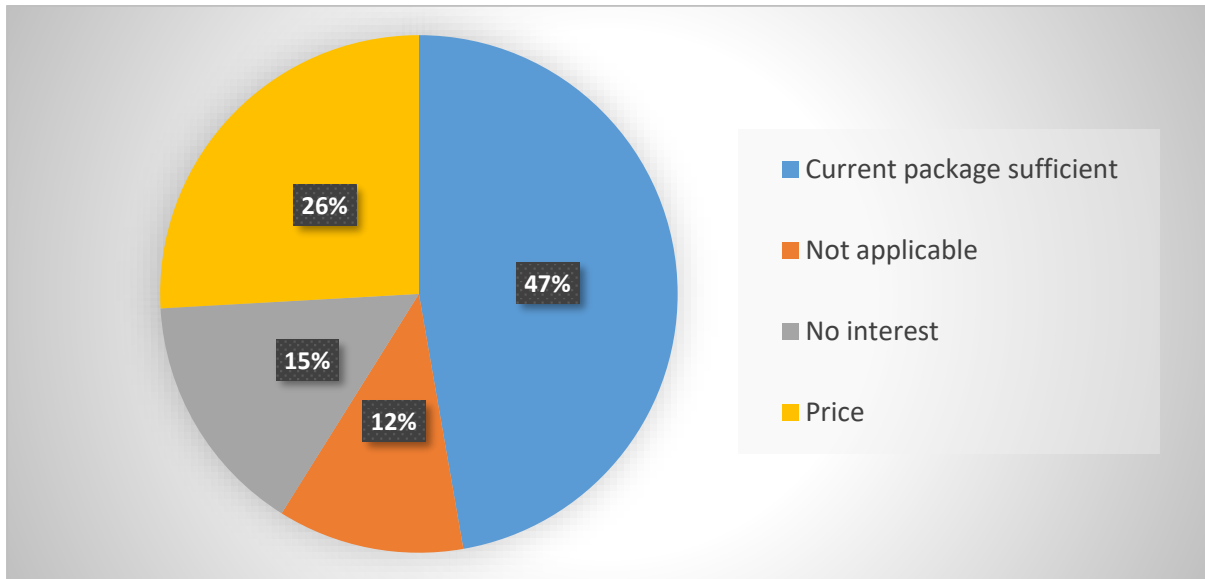


Figure 4. What factor is preventing you from upgrading to a higher speed?

When studying the reasons for customers deciding against upgrading their packages to other higher speed packages offered by their current providers, a majority said that their current broadband package was sufficient to satisfy their needs (Figure 4).

Just over a quarter (26%) of those consulted, considered price to be a determining factor preventing them from upgrading their package to one with a higher speed. Although predictable, 26% is a significant representation and may suggest that the difference in price between packages offered by providers is prohibiting an important number of consumers from upgrading. Having said this, 47% of customers considered their current package speed to be sufficient.

QUALITY OF SERVICE

Q.5) Overall, how satisfied are you with the quality of the broadband service you receive from your provider?

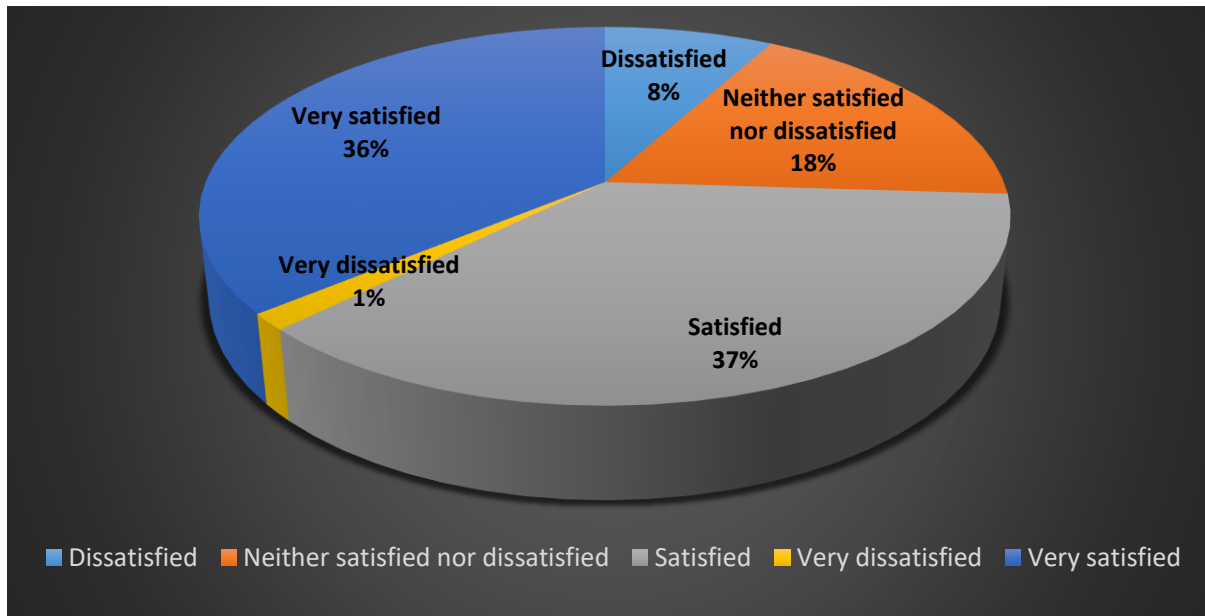


Figure 5. How satisfied are you with the quality of the broadband service you receive from your provider?

Over 70% of all those who took part in the survey, provided positive reviews on the overall quality of the broadband service delivered by their providers. From a regulatory point of view, it is very encouraging to see that operators are providing a good service to their customers.

Only 18% were undecided or had no significant opinion on the quality of the service they were receiving and 9% were dissatisfied or very dissatisfied.

The Division learned that most of those who selected Dissatisfied or Very Dissatisfied in Q5, had done so because they were referring to a past negative incident and not necessarily to any issues occurring to them at the time of completing the survey. It is important to consider this when drawing conclusions on this particular answer as not doing so may misrepresent the data. That said, it is possible that others may have experienced some minor service downtime (or other inconsequential issues) and have not been concerned enough to categorically state that they are dissatisfied with the service generally.

Q.6) If you selected dissatisfied or very dissatisfied for Q.5, please explain why briefly.

Of those who gave reasons for their dissatisfaction, some highlighted that the speed they were receiving from their provider was below that being contracted. Others were unhappy that alternative providers could not yet service their area of residence. Some complained

about the weak coverage of the Wi-Fi router supplied by their provider and others highlighted the poor or non-existent customer service.

The list provided, offered a very broad and varied set of reasons for customers' dissatisfaction. However, the list was not exhaustive or necessarily indicative of important issues requiring immediate regulatory intervention.

BILLING

Q.7) How satisfied are you with regard to your provider's billing process for broadband?

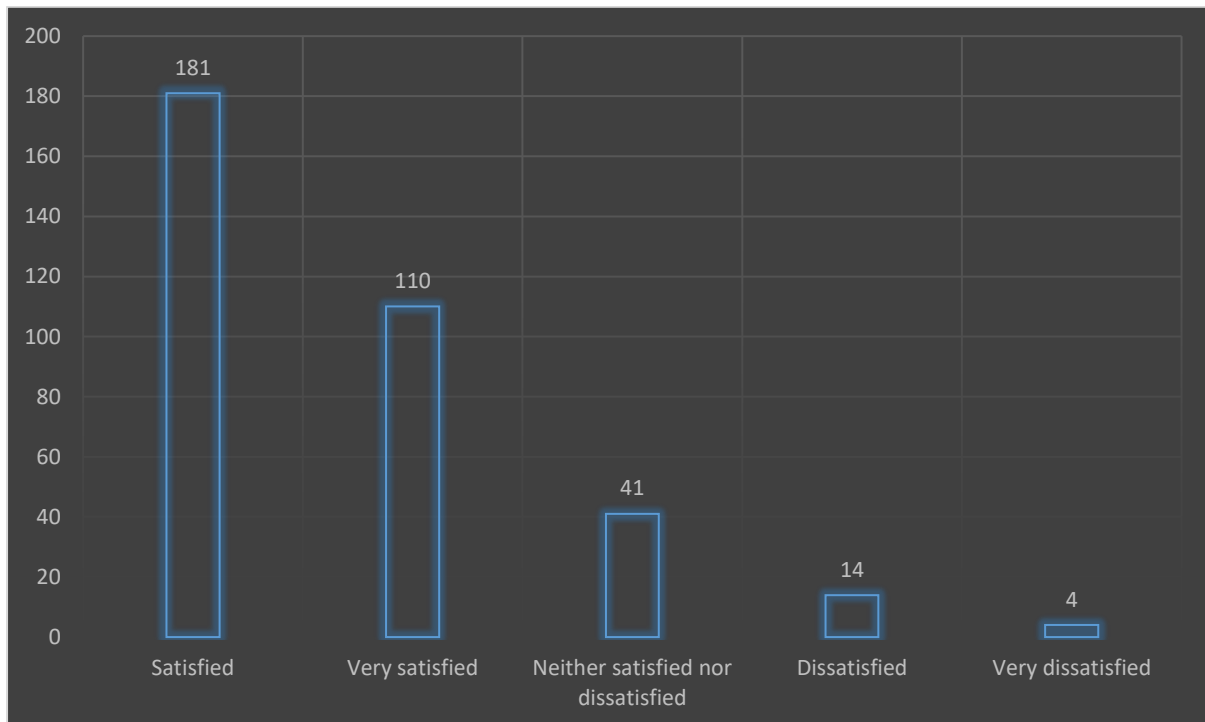


Figure 6. How satisfied are you with regard to your provider's billing process for broadband?

Less than 6% of those questioned were either 'dissatisfied' or 'very dissatisfied' with their provider's billing systems. It is positive to note that providers are giving subscribers little to complain about with regards to the company's billing.

Q.8) If you selected dissatisfied or very dissatisfied for Q.6, please explain why briefly.

When the Division carried out its broadband awareness day in town, and completed face-to-face surveys, most of those dissatisfied had previously been overcharged or had disputed their bill in the past. Others claimed that their bill had not arrived by post, although we recognise that this particular issue may not necessarily be attributable to the providers alone.

CUSTOMER SERVICES

Q.9) Have you ever had to contact your provider's customer services with regard to your broadband service?

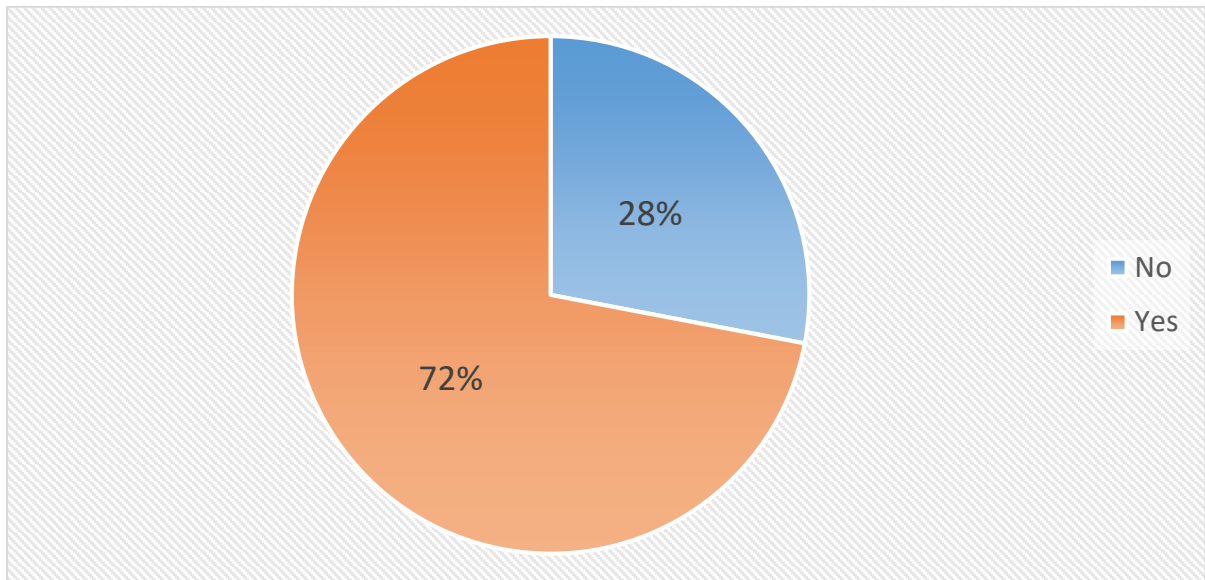


Figure 7. Customer services.

Q.10) If you selected yes for Q.9, let us know the nature of your communication with your provider.

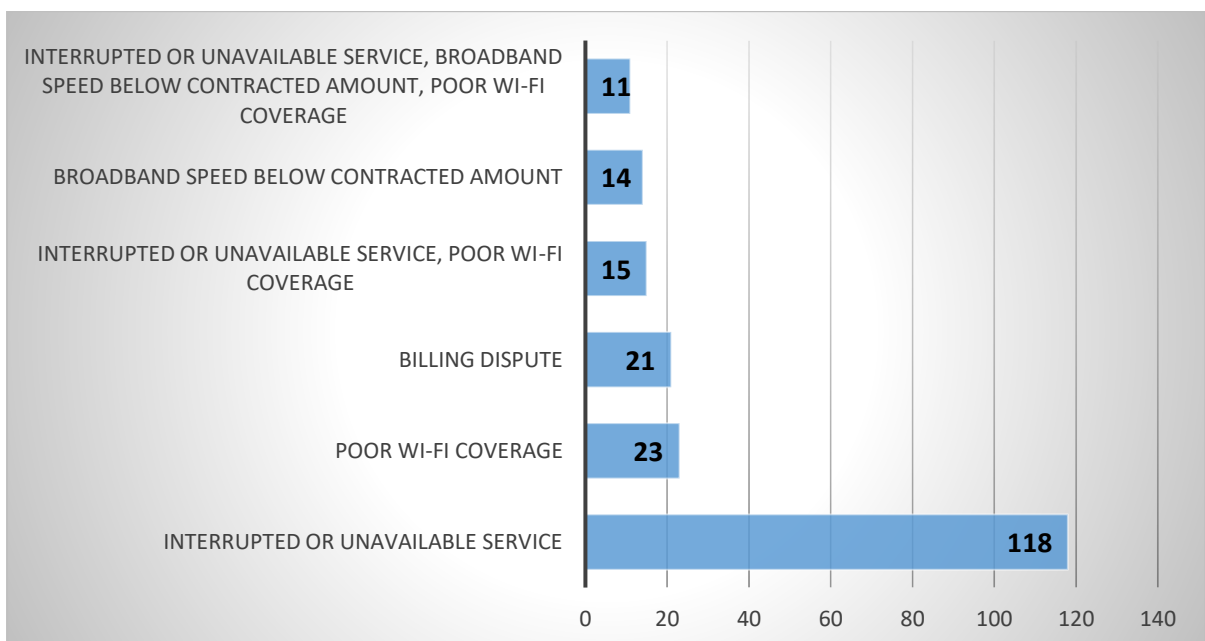


Figure 8. Reasons for contacting customer services.

Although 72% (Figure 7) may be viewed as an impacting figure, it should not be unexpected that the vast majority of those questioned had contacted their provider's customer services. Figure 8 shows that 'Interrupted or unavailable services' was the main reason for contacting customer services.

Q.11) Overall, how would you describe your experience when dealing with your provider's customer services?

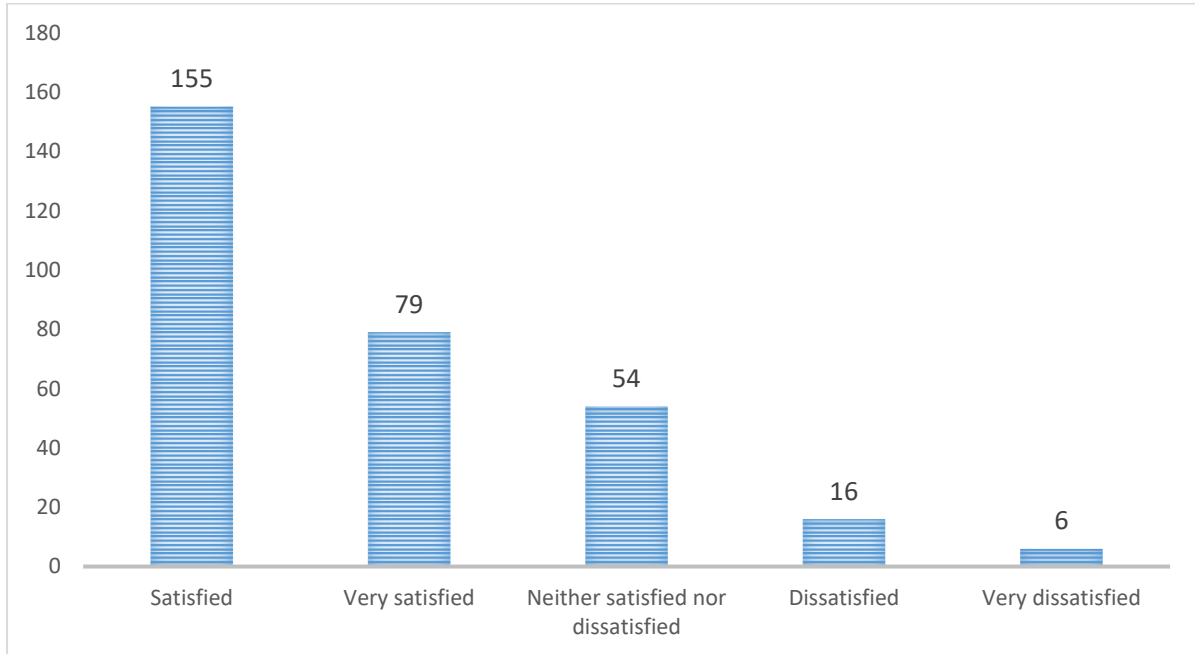


Figure 9. Describe your experience when dealing with your provider's customer services.

It is encouraging to see that a considerable majority reported that they were happy with their provider's customer service experience (Figure 9). Having said this, and although in the minority, there have been instances where some reported to be 'very dissatisfied' with their customer services' experience.

SWITCHING PROVIDER

Q.12) If you have switched broadband provider before, what were your main reasons for doing so?

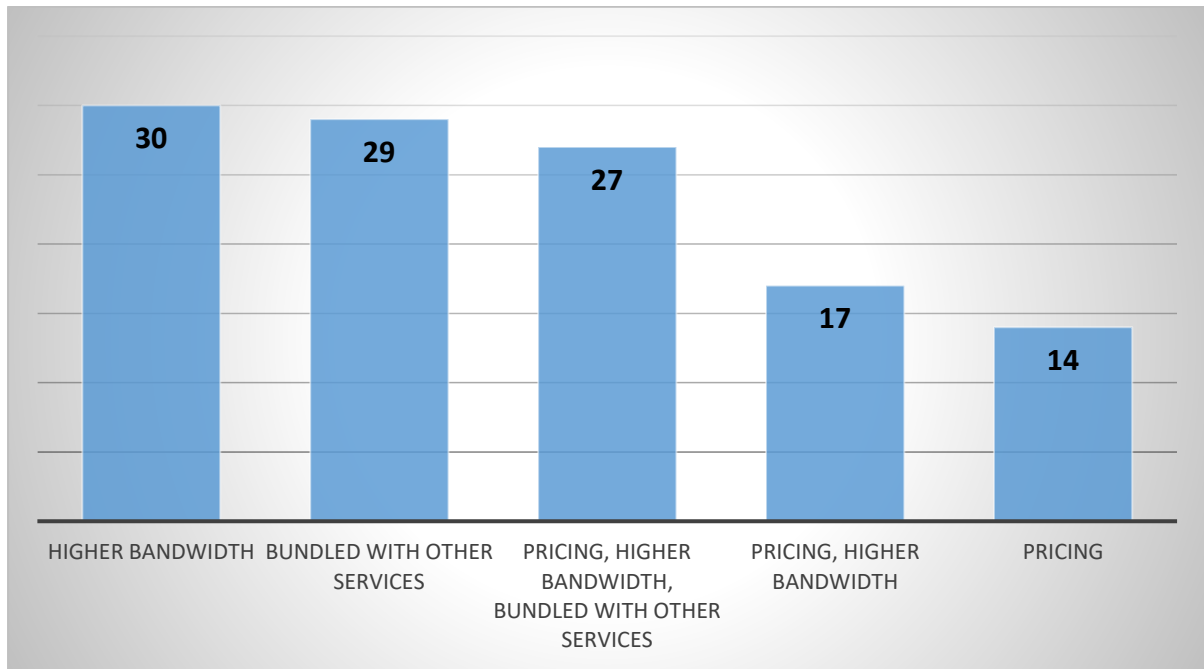


Figure 10. Reasons for switching provider.

Q.13) How likely are you to change your broadband provider in the future?

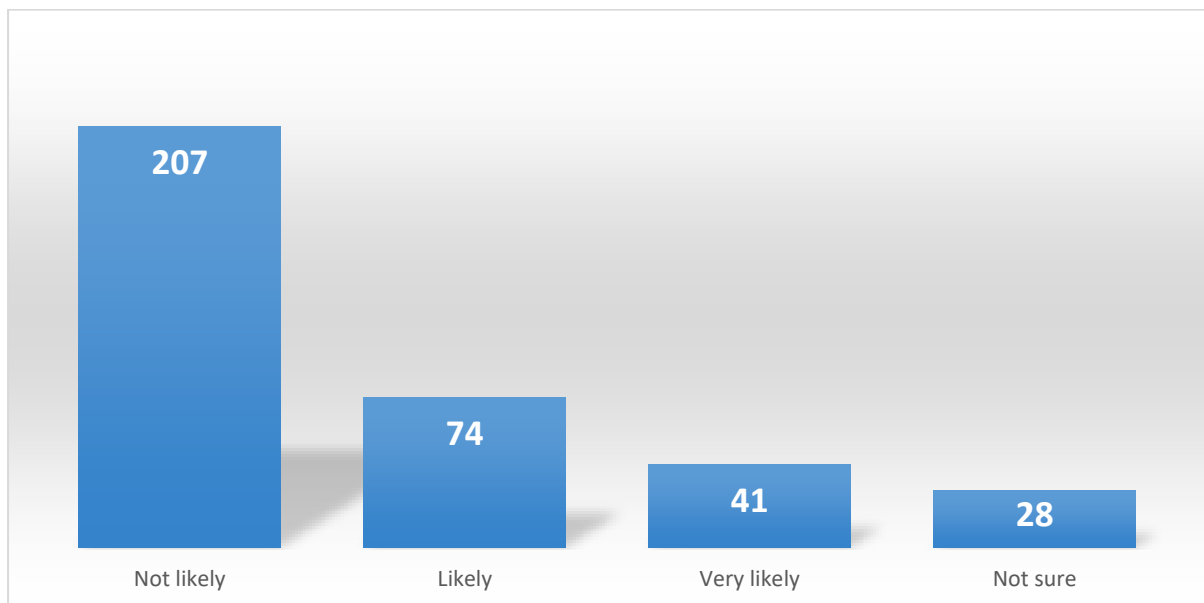


Figure 11. Switching provider in the future.

The results of Q12, shown in Figure 10, confirm that out of the 350 persons who took part in the survey, 188 subscribers have never switched provider.

Under Q13, a majority of those asked if they were likely to switch provider in the future, replied that they are not likely to do so (as seen in Figure 11 above).

However, Q14 goes further into the reasons for those who do intend in switching provider in the future.

Q.14) If you haven't switched broadband provider yet but are considering doing so in the foreseeable future, what would be your reasons for doing so? Please select the boxes which apply.

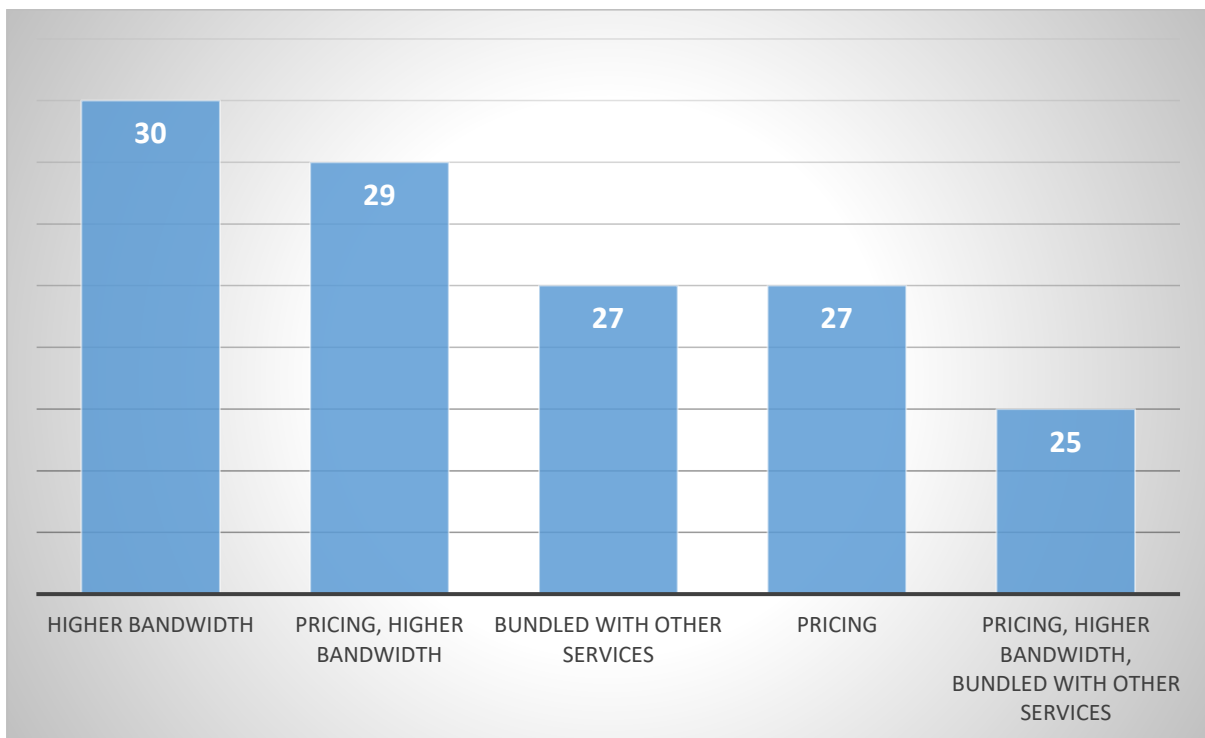


Figure 12. Reasons for wanting to switch provider in the future.

As provided in Figure 12 and judging by the spread of reasons for wanting to switch providers in the foreseeable future, it is apparent that there is no one single reason for consumers wanting to do so. These results may encourage providers to be innovative or provide attractive services in order to entice future customers.

CLOSING STATEMENT

Based on the significant developments which the local broadband market has seen over the last few years, it is safe to say that consumers in Gibraltar are satisfied with the speeds and quality of the services available to them. When considering the results of this survey, we can conclude that, generally, providers are doing well. However, there are areas which may need to address in the future in order to retain existing customers and attract new ones.

With the growing popularity of broadband-hungry applications, such as online gaming and high quality video on demand, it is of no surprise that the providers offering ultra-high-speed broadband services currently hold a strong position in the market, in particular, when one considers that these companies are relatively new to the market. However, the survey also showed that many subscribers are reluctant to move up to a higher speed package or switch provider as they claim that their current service satisfies their broadband needs.

From conversations had with people during the Division's awareness campaign in town, it became clear that a divide, of sorts, exists. One group of people is excited by ultra-fast broadband and feel that they need to have the highest speed package available in order to fulfil what they believe are current and future needs. People who broadly fall into this group are generally willing to pay for the privilege of having ultra-fast broadband. In some cases, we found that where the alternative providers' FTTH networks had not yet reached their areas in Gibraltar, many potential customers had grown impatient and were unhappy that they were unable to enjoy the highest broadband speeds as well.

Another group of people was generally unexcited by ultra-fast broadband and was content with the current speeds, mainly 16Mbps or 25Mbps. Most of these customers were generally unwilling to go through the process of changing provider in the future and did not want to pay any more than they were currently paying. Interestingly, these two groups, with their differing broadband demands, may help shape the future of the local broadband market in the coming years.

One thing is clear, the broadband market is still evolving. New operators continue to expand their network reach at a steady pace, as they establish a stronger foothold in the local broadband market. Gibtelecom today still enjoys a majority share of the market, but the alternative providers, U-mee and Gibfibrespeed, have grown significantly as their networks continue to expand and their appeal grows.

Broadband will continue to be an important service for the Gibraltar population in the future, as more of the daily activities are carried out using broadband services over the internet.

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