Why the low take up

AND HOW TO FIX IT?

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TO DESCRIBE TAKE-UP OF FIBRE TO THE HOME AS ANAEMIC IS A CLASSIC BRITISH UNDERSTATEMENT. YET, AS AN INDUSTRY WE REMAIN BLINDLY OPTIMISTIC THAT THINGS CAN ONLY GET BETTER. HOW?

Customers on the doorstep will tell you "I only do emails and watch iPlayer, what I've got is good enough". they have been convinced that the coppery fibre they have is perfectly good enough. Why change?

These are the customers that will take business plans from a failing twenty-ish take up to a successful sixty-plus percentage penetration. How to persuade them that they need to make the change?

From a content point of view that customer is right. There is nothing the average person needs from the internet for which 50Mb/s download is inadequate. Content providers spend big on compression technology for video that means high-quality 4K video fits quite nicely in coppery fibre. If the content industry made compelling content available in a less compressed format (and it does look beautiful, so why not?) then there would be a meaningful consumer pull.

However, this discourse has immediately fallen into its own trap. What consumers have disliked about "the Internet" ever since they had a handset coupled modem is that it is unreliable, becomes congested at busy times and is unresponsive. These are the most tangible improvements a fibre-to-the-premise broadband line can realise.

A fibre delivered service is reliable, has far greater capacity (and therefore less congestion) and has a latency that is at least twice as good. Customers can do more all-day, more often, more quickly. How many fibre-broadband providers sell these features on the front page of the "brochure"? How many sell "speed"?

"Speed" is just a number when the entry product is already at a speed that's multiples of the normal needs of a customer. If, today, that customer is able to access the internet for everything they need at 50Mb/s, then selling them a 1Gb/s product simply embeds in their mind that they are just paying through the nose for 950Mb/s of waste.

Is the shortage of fare-paying customers a symptom of self-inflicted harm? Is industry selling a product no-one needs? But, at the same time, underselling the very things that customers really value and want to buy?

It was a common concept to market the lowest capacity fibre broadband product at £5 more than the highest capacity copper broadband. "Fibre for a Fiver". This was common in other markets too – fibre for a fiver was seen in both dollars and euros. Compared to an exchange-based broadband product, very low speed, long loop-length circuits then Fibre for a Fiver was somewhat of a distress-purchase and quite successful. FTTC (fake fibre) has an adequate speed and is passably reliable for most – where's the incentive to pay more for ultra-fast FTTx?

If copper switch off is to occur it implies an element of forced migration. It is therefore inevitable that a FTTx service will have to match copper broadband tariffs. With an element of incentive to voluntarily switch prior to a difficult-to-manage compulsion to switch; anticipating needing to undercut copper broadband prices is an easy thought process.

If the pricing sacred cow is to be barbequed, then why not go all-in and market the real benefits of fibre-based broadband? Marketing material generally skirts direct criticism of a copper broadband product (out of fear of what?). Throw that to the bonfire: It is not fibre, sorry we lied; it is quite unreliable and costly to maintain, driving the price higher that it should be; the advertised speed is a pipe-dream at busy times; the latency is a whole generation of technology slow.

On the doorstep, a small speed upgrade (90Mb/s?), symmetrical, inherently reliable, responsive and £5 less than your current broadband. Would this be a +60% take-up proposition?

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Can a business sustain this? If the network itself is orders-of-magnitude more reliable then it is reasonable to assume that the operational expense of supporting it is, similarly, orders-of-magnitude less. Moreover, a generational change in support systems makes the efficiency of the back-office orders of magnitude cheaper: An operation selling at copper price but without the cost of copper will be a more profitable enterprise. If that price point doubles or triples penetration, a fibre-broadband providers' plans will be transformed.

If penetration of ultra-fast broadband settles above 60%, might the content industry be persuaded to open for us the full chocolate box of high-quality content? Let the chicken see the egg.