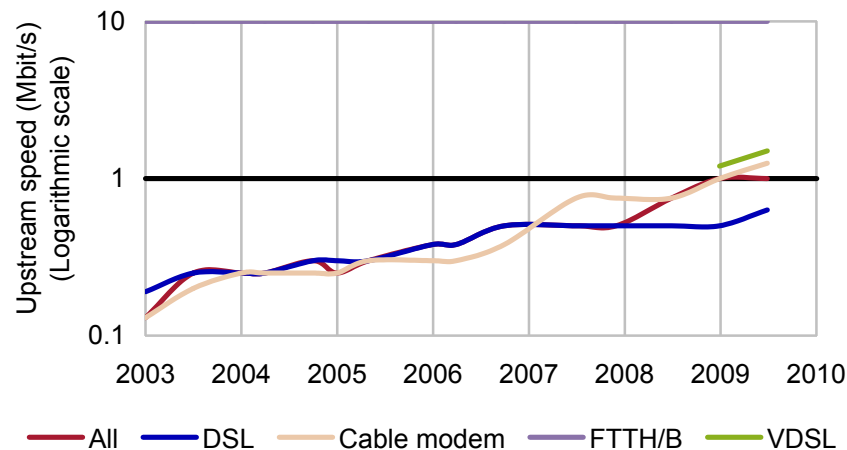


## Cable-modem upstream speeds continue to outpace ADSL and ADSL2+, but VDSL is faster

**Figure 4:** Unweighted median upstream broadband speed by access technology, 2003–2Q 2010 [Source: Analysys Mason, 2010]



- The average upstream speed of DSL services has not changed significantly in the past five years because it is limited to 1Mbit/s at best in the ADSL and ADSL2+ standards. Most roll-outs set the maximum upstream bandwidth at 0.75Mbit/s. The median upstream bandwidth of DSL services increased marginally in 2010 to 0.64Mbit/s, up from 0.50Mbit/s during 2007–2009.

- VDSL has enabled marginal increases in the maximum possible upstream bandwidth available to end users because different spectrum profiles allow for greater upstream bandwidth than for ADSL and ADSL2+.
- The median upstream speed of VDSL services reached 1.5Mbit/s in the second quarter of 2010, compared with 1.25Mbit/s for cable modem. Service providers such as BT in the UK are launching VDSL with upload speeds of up to 10Mbit/s. These are faster than many competing cable networks can offer with their current network configuration.
- The median upstream speed of fibre and A-LAN services maintained its historical level of 10Mbit/s through to 2010. This speed continues to be sufficient for almost all current applications, although symmetric 100Mbit/s services are becoming available: 14% of the fibre/A-LAN services offered upstream bandwidths of 100Mbit/s or higher in the second quarter of 2010.

# Fixed broadband promotions tend to have the features of one or more of the four basic types

**Table 1:** Types of fixed broadband promotion [Source: Analysys Mason, 2010]

Type	Description	Typical saving <sup>1</sup>	Attractiveness to consumers <sup>2</sup>
<b>Equipment</b>	Rebates on CPE reduce a key barrier to entry for subscriber acquisition and can act as a positive differentiator if the equipment includes additional features, such as Wi-Fi, DECT, or TV services. The magnitude of the savings that these promotions promise is increasing – from 6% of the total cost of 24 months of service in the second quarter of 2009 to 10% in the second quarter of 2010.	~10%	●●●●●
<b>Activation</b>	The activation and installation fees associated with commencing service are another potential barrier to entry that service providers can reduce or eradicate through promotional pricing. Such offers make a reasonable compromise between cost to implement and value to customer.	~4%	●●●○○
<b>Access</b>	Service providers that offer a reduction to monthly access charges tend to do so by providing the first few months of service free of charge, or at a reduced rate, in order to increase net subscriber additions – even if they are not initially generating revenue. For example, UPC Slovakia offers the first six months of its 120Mbit/s Fiber Power package at EUR5 per month before reverting to the standard EUR40 per month.	~8%	●●○○○
<b>Rebate or credit</b>	During the past year, this type of price promotion became significantly more popular with consumers, and the savings more significant. The most popular discounts of this type are those found in Germany, as discussed on the following slides.	~2%	●●○○○

<sup>1</sup> Calculated as a proportion of all costs required to set up and maintain a residential fixed broadband service for 24 months.

<sup>2</sup> Key to attractiveness ratings: ●●●●● very attractive ○○○○○ not attractive.

Note: For the purposes of this report, offers of bundled voice or data minutes are not considered as promotions. Some price promotions may only be available online – these are part of service provider initiatives to reduce customer service and provisioning costs.