

# Multi-gigabit tariffs can help to boost fixed broadband revenue, but operators' approaches vary

May 2024

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More operators are advertising fixed broadband services with download speeds of 2Gbit/s or more (multi-gigabit tariffs) thanks to the roll-out of fibre-to-the-premises (FTTP) networks. Operators should take advantage of this because consumers are willing to pay a premium for multi-gigabit speeds, even if, strictly speaking, they do not need such high speeds.

Operators are trying three different approaches for multi-gigabit plans – maximising ASPU, maximising take-up and mitigating against churn. There is no common approach because the product is immature; operators are experimenting with what works best.

The data in this article is based on Analysys Mason's *Fibre pricing benchmark*, which tracks the price, advertised speeds, technologies and bundled services of 398 fixed broadband tariffs worldwide.

## More operators are offering multi-gigabit tariffs in 2024 compared to 2023

The number of multi-gigabit tariffs is growing year-on-year. In 2024, 7% of the 398 tariffs that we track in our *Fibre pricing benchmark* have download speeds of 2Gbit/s or more. Multi-gigabit tariffs are available from major operators in Canada, France, Italy, Malaysia, the Netherlands, Poland, Turkey, the UAE and the USA. We recorded seven new multi-gigabit tariffs in 2024 (Figure 1).

Figure 1: Multi-gigabit tariffs launched since October 2023

Operator (Country)	Download speed	Price (USD per month)	Price of closest gigabit tariff (USD per month)
Etisalat (UAE)	5Gbit/s	514	233
Etisalat (UAE)	10Gbit/s	772	233
KPN (Netherlands)	4Gbit/s	71	56
Maxis (Netherlands)	2Gbit/s	79	61
Netia (Poland)	2Gbit/s	21	13
Odido (Netherlands)	2Gbit/s	63	48
Odido (Netherlands)	8Gbit/s	90	48

Source: Analysys Mason

## Consumers want faster connectivity even if they do not need it for their current applications

Data from our [worldwide survey of consumers](#) shows that consumers are receptive to multi-gigabit tariffs. 27% of respondents, with broadband speeds of more than 1.25Gbit/s, reported that they would change provider for an even faster tariff.

Consumers that take multi-gigabit speeds are also [more satisfied with their fixed services](#). Survey respondents with download speeds of more than 1.25Gbit/s awarded their operators Net Promoter Scores (NPSs) of 37 in our 2023 survey, compared to an average of 15 for the rest of the panel. Faster download speeds are one of the factors most closely correlated with higher NPSs and intention to churn fixed broadband provider.

However, no consumer applications currently require download speeds of 1Gbit/s, never mind multi-gigabit speeds. Moreover, most consumers will not experience multi-gigabit speeds on their end devices. Wi-Fi 6 and 6E hardware cannot support throughputs of 1Gbit/s and most consumers will not own Wi-Fi 7 compatible devices in the near future, due to increasingly long [replacement cycles for consumer devices](#).

Consumers on multi-gigabit tariffs will therefore have more bandwidth than they can use. High demand for multi-gigabit speeds suggests that such tariffs benefit from a 'halo-effect', whereby consumers are more satisfied because they believe that they have the best service, even if they do not have demanding use cases that require these very high bandwidths.

## Most operators are using multi-gigabit speeds to grow ASPU, but priorities will change as multi-gigabit tariffs become more common

There are three strategies for multi-gigabit tariffs among the operators included in our *Fibre pricing benchmark*.

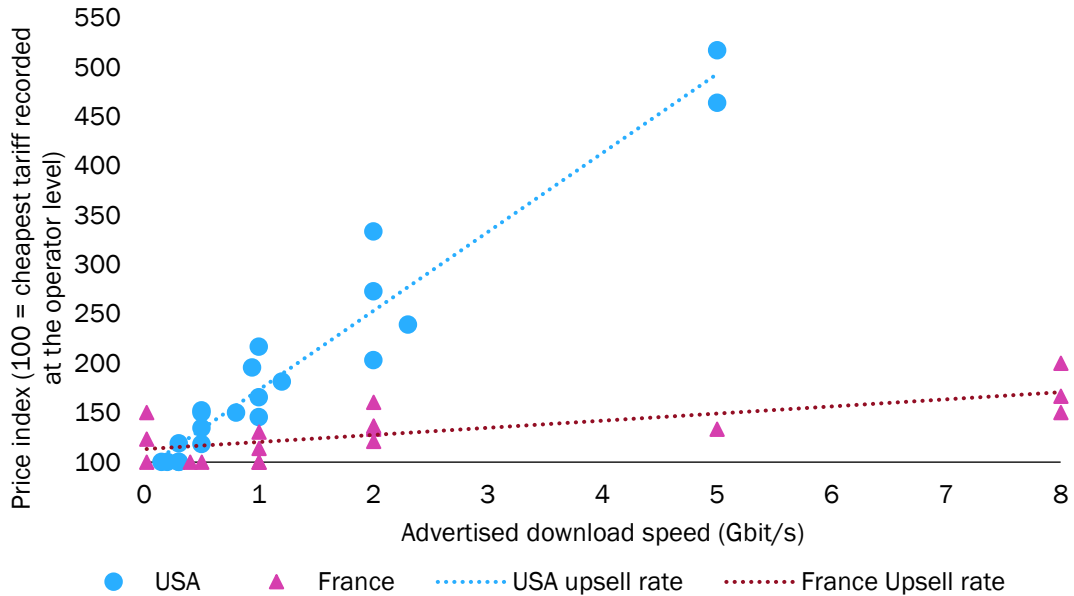
- **ASPU maximisation.** Operators charge high price premiums for multi-gigabit speeds to prioritise ASPU growth. All US operators charge high price premiums for faster speeds. These tariffs are not mass-market products; the aim is to sell multi-gigabit tariffs to a minority of high-spending consumers. AT&T and Frontier offer 5Gbit/s tariffs that are five-times more expensive than their cheapest tariffs.
- **Subscriber growth.** Operators combine multi-gigabit speeds with low prices to prioritise take-up. Free (France) has used aggressively priced multi-gigabit tariffs to encourage consumers to churn from other providers, since 2019. In 2024, Free's 5Gbit/s tariff is priced below the incumbent's (Orange) 0.5Gbit/s tariff, and includes additional streaming video services.
- **Churn mitigation.** Operators offer faster speeds to consumers to offset dissatisfaction with price rises and defend their market share. TIM (the Italian incumbent) launched a 5Gbit/s and 10Gbit/s tariff in 2022, to justify price rises. TIM also bundles additional value-added services (such as a cyber-security service, a Wi-Fi coverage guarantee and a back-up LTE connection) into its 10Gbit/s tariff, which suggests that faster speeds are part of a broader focus on improving customers' sense of 'value for money'.

The operators that launched new multi-gigabit tariffs in 2024 (Figure 1) have adopted the first approach (ASPU maximisation). They charge high price premiums for multi-gigabit speeds and do not bundle additional value-added services. This approach makes sense for operators that are offering multi-gigabit speeds for the first time. It is easy to reduce prices if take-up is too low. However, if operators launch multi-gigabit tariffs at too low a

price, they may miss out on revenue if customers are willing to pay more. Raising prices after launch will be challenging and could lead to churn.

Nonetheless, the price premiums that operators can charge for multi-gigabit speeds will be restrained when consumers can choose between multiple multi-gigabit providers. For example, operators in France, where wholesale markets are competitive, charge lower price premiums for multi-gigabit access compared to operators in the USA, where there is little network overbuild or wholesale access (Figure 2).

Figure 2: Index of monthly access charge and advertised download speed, France and USA



Source: Analysys Mason

Similarly, if multiple operators offer multi-gigabit speeds, operators will still need to look for other ways to differentiate their services. Free, for example includes additional pay-TV services in its multi-gigabit tariffs to maximise take-up. Free has the highest share of fixed broadband subscribers [bundling pay-TV and streaming video out of all French operators](#).

We expect that most operators will continue to focus on ASPU maximisation as they experiment with multi-gigabit offerings. However, as faster download speeds become more common, operators will incorporate multi-gigabit connectivity into a broader upsell strategy. For example, operators will need to ensure that in-home connectivity keeps pace with improvements in throughput, which creates further opportunities to [differentiate fixed broadband tariffs](#). Operators can also design multi-gigabit tariffs to attract consumers that use specific high-throughput applications, [such as gaming](#).