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## NEW STUDY REVEALS WHAT EUROPEAN CONSUMERS MOST VALUE ABOUT BROADBAND

**A.T. Kearney research finds that European consumers of broadband and WiFi services care more about network quality and coverage than they do about the price**

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A new study released today that investigates the value attached to home connectivity has found that price of broadband and WiFi services is less important to European consumers than factors such as network quality, coverage and access to innovative products.

The report from consultants A.T. Kearney, which looks at the value of home connectivity specifically from the perspective of consumers, finds consumers value 'collective' benefits of their home broadband - defined as such things as coverage, network quality and innovation – the most, with 38% citing these as the characteristic of their home broadband service that they find most valuable. This is followed by 'individual' benefits - such as speed and bundle size – which were highlighted by 33% of respondents. Price, meanwhile, was ranked as the most important factor for just 16% of people, with flexibility cited by 13%.

A. T. Kearney surveyed 8000 people across eight European countries - the United Kingdom, Belgium, Switzerland, Poland, Ireland, France, Germany and the Netherlands - for the report entitled '*Viewed through the Lens of the Consumer: Value Creation in the Telecommunications Sector.*' The study has been commissioned by Liberty Global, the world's largest international TV and broadband company.

Delving further into the link between price and investment in high-quality home broadband services, the report concludes that there is a positive relationship between price levels, investment and benefits delivered to society. It identifies a virtuous circle where positive revenue developments through price create headroom for investment, which in turn impacts on further revenue generation. This is supported by the fact that the top 10 EU countries in terms of relative price levels outperform the bottom 10 across all proxies for benefits to society - including online education, shopping, e-government services, cloud computing and big data analytics – used for the study.

In other findings, the study reveals that access to home broadband & WiFi scores either first, or is in joint first place, in six out of eight European countries surveyed when ranked against such things as holidays, chocolate, a favourite TV channel and even sex. In only two countries – Switzerland and Poland – did home broadband & WiFi access not make the top spot.

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The report also looks more broadly at the value attached to broadband by consumers across the generations, finding that broadband & WiFi is considered especially valuable to the youngest generation of respondents (aged 18 – 29) who would, on average, require compensation of €32,500 (around £28,500) to forgo access for one year – four times what the amount required by those aged between 50 & 65.

Manuel Kohnstamm, Chief Corporate Affairs Officer of Liberty Global, comments: *“We’ve commissioned this research to shine a light on what consumers think is important about their broadband and WiFi services. In particular, the report’s key finding that price is lower down the list of priorities for consumers suggests that regulators would do well to find policies that successfully balance all prevailing factors valued by broadband users – including coverage, network quality and innovation – rather than narrowly focusing on the pricing of such services.”*

Hans Boezel, Principal, Communications, Media & Technology Practice, AT Kearney, adds: *“We fully appreciate that capturing the ‘real’ opinion of customers is always challenging. However, by focusing on understanding and appreciating the order of magnitude of various findings, this report already provides sufficient guidance for informed debate and decision-making around what is really of importance to a consumer. This not just in the limited time they are in a ‘purchasing mode’, but also when they are actually using the service itself, which they are most of the time.”*

## ABOUT LIBERTY GLOBAL

Liberty Global (NASDAQ: LBTYA, LBTYB and LBTYK) is the world’s largest international TV and broadband company, with operations in 10 European countries under the consumer brands Virgin Media, Unitymedia, Telenet and UPC. We invest in the infrastructure and digital platforms that empower our customers to make the most of the video, internet and communications revolution. Our substantial scale and commitment to innovation enable us to develop market-leading products delivered through next-generation networks that connect 21 million customers subscribing to 45 million TV, broadband internet and telephony services. We also serve 6 million mobile subscribers and offer WiFi service through 12 million access points across our footprint.

In addition, Liberty Global owns 50% of VodafoneZiggo, a joint venture in the Netherlands with 4 million customers subscribing to 10 million fixed-line and 5 million mobile services, as well as significant investments in ITV, All3Media, ITI Neovision, Casa Systems, LionsGate, the Formula E racing series and several regional sports networks.

For more information, please visit [www.libertyglobal.com](http://www.libertyglobal.com) or contact:

### **Investor Relations:**

Matt Coates +44 20 8483 6333  
John Rea +1 303 220 4238

### **Corporate Communications:**

Bill Myers +1 303 220 6686  
Matt Beake +44 20 8483 6428

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Stefan Halters +1 303 784 4528