

YouGov research reveals ‘streaming divide’ between rural and urban areas - broadband speeds to blame?

Taking advantage of Broadband & TV bundled deals will help to bridge ‘the streaming divide’, recent research shows, and the new breed of “Altnets” & challenger Internet Service Providers (ISPs) have the most to gain from this.

- **Up to four in five rural respondents would like more than “broadband only” offers from broadband providers** but the lack of gigabit-capable broadband availability currently prevents them from accessing the popular streaming services the rest of the nation enjoys
- Scottish respondents were **twice as likely** to have no streaming subscriptions at all compared to London - unsurprising given that up to **24%** of some areas of Scotland have broadband speeds of under 15Mbps, compared to **0.82%** in London
- However, this streaming divide **can** be closed by greater availability of gigabit-capable broadband - if altnets and ISPs offer broadband + streaming packages to consumers, the 1.1 million live altnet customers predicted by PointTopic at December could be **underestimating** demand - particularly as the same data shows that altnets will have the potential to deliver gigabit-capable broadband to 6.6 million households by the end of 2021
- This Fibre connectivity catch up of under-served parts of the UK is good news for consumers and ISPs but also **great news for the popular entertainment streaming services** who will find in those areas new audiences and extra growth.

New YouGov data has revealed stark contrasts in consumer trends for TV and streaming services between urban and rural areas in the UK.

The data, commissioned by Netgem, the leading ISP partner for TV and WiFi mesh services, found that **79% of rural respondents are unsure or are considering switching to an ultrafast broadband package that included streaming services as part of the bundle, and only 21% would not consider it.** This is despite the fact that only 25% of these same respondents currently had a TV and broadband package. Research from the Centre for Business and Research (CEBR) earlier this year found that upgrading rural broadband could lead to 500,000 people moving to rural areas¹ - the YouGov findings show that the transformative benefits of gigabit capable broadband would also bridge the streaming divide.

This trend was not limited to rural areas, as 57% of 18–24-year-olds, 62% of full-time students and **59% of households with one or two children outlined that they would be more likely to switch to a broadband provider that could include these services as part of the overall package.** The conclusion here is that faster broadband speeds and a mix of free and premium

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<https://www.openreach.com/content/dam/openreach/openreach-dam-files/images/hidden-pages/full-fibre-impact/Openreach%20Cebr%20Report%202021.pdf>



streaming services as part of this package are an appealing option for households, particularly in rural areas.

The data also revealed a 'streaming divide' between certain parts of the UK, with perhaps the biggest difference between Scotland and London. The results showed that **Scottish respondents were twice as likely to have no streaming subscriptions compared to Londoners**. As good, reliable broadband is needed to watch most streaming services, it is perhaps unsurprising that there is such a contrast between Scotland and London, given that average **broadband speeds in London are over twice as fast as Scotland**, and some parts of Scotland have up to 24% of areas with broadband speeds of under 15mbps, compared to just 0.82% of London.

While the Prime Minister's promise of full fibre for all by 2025 may have been slightly ambitious, recent PointTopic research suggests that altnets are ramping up deployment, with altnets making gigabit-capable broadband available to more than 4 million additional properties by the end of 2021, to a total of over 6.6 million households². With **take up of ultrafast services by altnets predicted to hit around 1.1 million households by the end of the year**, this new data suggests that the figure could be even higher if altnet providers could offer greater choice to customers, including bundled streaming services.

There is undoubtedly a great opportunity to grab a greater portion of the market share for any broadband providers who can offer streaming services as part of their package to customers. Equally, **this opportunity extends to streaming services** and the partners who can capitalise on this market, as this YouGov research shows a discrepancy between the number of subscribers and the demand for streaming services with their broadband.

Shan Eisenberg, CCO at Netgem UK adds: "Today's findings show that there is a clear link between slow average broadband speeds and lack of uptake in streaming services. The research shows that the demand for ultrafast broadband and streaming services is there in rural areas, so there is a huge opportunity for the Altnets to fill this gap in the market and bring consumers in underserved areas of the countries the Fibre and TV streaming bundles that are so successful everywhere in the country."

About Netgem

Netgem enables through its "Netgem TV" service personalised access to a comprehensive lineup of TV streaming services on all screens in and outside the home, through a single application. This service is marketed directly to consumers, or through partnerships with Internet Service Providers (ISPs).

For viewers, Netgem TV is the guarantee of paying only for the best of TV, whilst having the freedom to choose the fibre broadband offer that suits them best and to pick additional

² <https://www.inca.coop/sites/default/files/inca-point-topic-report-2021.pdf>



streaming services, on their terms. Through its SuperStream service, NetgemTV also greatly improves WiFi coverage throughout the home, and optimises all Video Streaming. For the ISP, Netgem brings access to an innovative service, designed for new viewing habits and delivering on the promise of ultrafast fibre broadband - all with a Capex-light and “pay as you grow” business model aligning interests between the ISPs and Netgem with a particular focus on customer satisfaction.

Netgem is listed on Euronext Growth.

(ISIN: FR0004154060, Reuters: ETGM.PA, Bloomberg: ALNTG FP) www.netgem.com

Notes to editors:

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2016 adults. Fieldwork was undertaken between 25th - 28th June 2021. The survey was carried out online. The figures have been weighed and are representative of all GB adults (aged 18+).