

ACS

Telecommunication Consultants

Analysis of Telecom Offers in the Channel Islands

Summer 2018

Introduction

Mobile operators are constantly changing their marketing strategies for mobile phone bundles. This is driven by market conditions and changes in costs for various parts of the network. Operators try to attract consumers by analysing the overall call patterns of their users and by comparing their own products with rivals. Consequently bundle content and costs are constantly changing in order to maximise profits and to gain market share. The offers are consistent across the islands except that in Jersey GST is added to the bill.

Mobile bundles can become complex when triple play¹ offers are introduced since the provider has to balance costs across all products. This can be an advantage to customers if all services are consumed.

Current mobile options

The tables below compare the current SIM only 12 month contract offers available from Jersey operators. This is a fair comparison since it is using the basic services offered by each operator and is not distorted by the relative value that each operator applies to its handsets. You are also likely to pay a premium for including a phone in the bundle but this may be a good way to manage your budget, however, see below. Operators may also try to tempt you into a longer term contract, but be aware that it could be costly to exit from this if you become dissatisfied with the service offered unless the operator changes the original contract terms and conditions.

JT SIM only 12 Months											
Price/month	£6.00	£11.00	£15.00	£20.00	£25.00	£25.00	£30.00	£35.00	£45.00	£55.00	out of bundle
CI Landline											£0.39ppm
CI Mobiles											£0.39ppm
Texts											£0.25
Data 1GB											£0.19/MB
Data 10GB											£0.19/MB
Data 25GB											£0.19/MB
Data 100GB											£0.19/MB
UK Landline											£0.39ppm
UK Mobiles											£0.39ppm
International	JT's top 10	JT's top 10				JT's top 10	JT's top 10	JT's top 10	JT's top 10	JT's top 10	variable
Roaming receiving calls											£0.45/min
Inclusive Minutes	125	125	10000	10000	10000	10000	10000	10000	10000	10000	

Table 1. JT SIM Only Options Red indicates not included in bundle

The JT 10,000 call minutes offer seems generous at first sight, but it equates to more than 5½ hours of talking per day! Clearly this is not realistic, hence the king-sized offer is just a marketing gimmick. Even eager teenage texters would find it difficult to consume the 330 texts per day that is also included. It is also worth noting that JT charges for all voicemail message recovery, even when in Jersey.

¹ Triple Play means a combination package of mobile, broadband and fixed line.

JT's top 10 countries are: Australia, Botswana, France, Ireland, Kenya, Latvia, Poland, Portugal, South Africa and USA.

Sure Sim only 12 months							
Price/month without data	£10.00	£15.00	£20.00	£25.00	£30.00	£40.00	out of bundle
Inclusive Minutes	100	200	1000	2000	3000	10000	
Inclusive Texts	100	5000	10000	10000	10000	10000	
Inclusive Data	1G	2GB	10GB	25GB	50GB	100GB	
CI Landline							£0.40ppm
CI Mobiles							£0.40ppm
Texts							£0.20
Data							£0.12/MB
UK Landline							£0.35ppm
UK Mobiles							£0.35ppm
International							variable
Roaming receiving calls							variable

Table 2 Sure SIM Only Options

Sure's bundles are in general costlier than the other providers but the unambiguous call minutes is attractive. Sure's mobile is more cost effective when taken with its other offers as a package. Voicemail recovery is free in the Channel Islands and Isle of Man.

Airtel SIM only 12 months						
	Basic	Essential	Optimum	Prime	Ultimate	
Inclusive Minutes	100	500	1250	2000	10000	
Inclusive Texts	500	1000	1500	2000	3000	
No Data	£7.00	£11.00	£14.00	£21.00	£28.00	
Inclusive Data 2GB	£8.00	£12.00	£15.00	£22.00	£29.00	
Inclusive Data 10GB	£14.00	£18.00	£21.00	£28.00	£25.00	
Inclusive Data 20GB	£17.00	£21.00	£24.00	£31.00	£38.00	
Inclusive Data 30GB	£22.00	£26.00	£29.00	£36.00	£43.00	
Inclusive Data 50GB	£27.00	£31.00	£34.00	£41.00	£48.00	
Inclusive Data 100GB	£37.00	£41.00	£44.00	£51.00	£58.00	
Roaming UK and France	In bundle	In bundle	In bundle	In bundle	In bundle	
International Calls*	In bundle	In bundle	In bundle	In bundle	In bundle	

Table 3 Airtel SIM Only Options Note: * Calls and texts to Airtel's top 10 countries in bundled minutes.

Airtel approaches the market differently from the other two operators in that it includes all call types, text and data in every bundle it offers. It also allows bundled minutes to be used for

international calls to its selected top 10 countries. These currently are: UK, Ireland, France, Portugal, Poland, romania, USA, India, Bangaladesh, Australia and South Africa. Voicemail recovery is free in the Channel Islands.

Analysis of mobile offers

Based on pure cost, JT offers the lowest tariffs. However, JT's marketing approach is different from the other operators in that while its cheapest product includes minutes to CI, UK and International, its larger minute offers only have local minutes and UK and International have to be added at extra cost. This is also true of its bundled data.

Sure offers the lowest entry level bundle that includes calls and texts to the CI and UK and local data but does not include international minutes.

The Airtel low voice call entry level is more comprehensive including CI UK and international calls and texts plus a fairly generous data allowance,.

It should also be noted that most users in the UK buy bundles that are bigger than they need². Therefore it is often worthwhile making a contribution towards a new handset rather than paying too much per month. A check of your previous months' bills will give you a very good idea of your average usage and therefore the correct monthly tariff for your needs. The final choice will be driven by the individual's usage needs. For consumers whose usage is predominantly voice calls, then the cheaper tariffs are likely to suit. For those that consume more data then higher tariffs are likely.

Broadband overview

Broadband provision is at present reliant on the JT fixed network, although the regulator has indicated that wireless spectrum suitable for high speed access is shortly to be allocated.

Consequently, all current ISPs take the JT wholesale DSL or Fibre Optic provisions, thus competition is limited by the ability of the competitors to discount or provide value added services to attract consumers.

JT has said that all broadband consumers will be on its fibre service 'by the summer' so as far as Jersey is concerned only fibre is considered.

The Table below compares the available retail offers available. It only includes the basic residential packages, all operators also offer alternative products more suited to higher users.

2 <http://www.billmonitor.com>

	Broadband Jersey							
	Fibre 250Mb/s	Usage Peak	limits Off-peak	Out of bundle	Line Rental	WiMax	4G 100Gb	Out of bundle
Airtel	N/A	N/A	N/A	N/A	N/A	N/A	£18.99	£0.03/MB
JT	£26.00	20GB	none	0.30/GB	£12.50	N/A	£30.00	£0.19/MB
Sure	£25.00	none	none	nil	£13.00	N/A	£17.50	£0.10/MB
HomeNet	£23.99	none	none	nil	£13.50	N/A	?	?
Newtel Network	£24.99	none	none	nil inc. in price		N/A	N/A	N/A
Ytel	N/A	N/A	N/A	N/A	N/A	£16.99	N/A	N/A

Table 4 Comparison of Broadband Offers 12 Month Contract

Note: All providers operate a “fair usage” policy

JT is alone in capping broadband usage on both islands. This is a practice that is used by other providers elsewhere, for example BT, however most other providers also offer an unlimited option (or cap release supplement) at additional cost although JT has add-on bundles of bandwidth it does not have an unlimited option. The other local providers currently have no caps.

Broadband usage is measured over both download and upload bandwidth. It is easy to exceed the minimum monthly bundled bandwidth of 20GB that JT provides in its basic service, especially if there are multiple devices connected in the home. HD television services such as NetFlix can quickly consume bandwidth. Even catchup television services can devour 20GB in a couple of evening's viewing.

Mobile broadband pricing in Guernsey is the same as in Table 4.

Guernsey fixed broadband

Sure is the fixed line incumbent in Guernsey and thus far has not deployed a Fibre to the Home network but maintains an ADSL broadband service.

	ADSL Guernsey									
	20Mb/s	Daytime limit	40Mb/s	Daytime limit	60Mb/s	Daytime limit	100Mb/s	Daytime limit	Line Rental	Out of Bundle
Sure Guernsey	£24.00	Unlimited	£29.00	Unlimited	£37.00	Unlimited	£47.00	Unlimited	£11.99	N/A
JT Guernsey	£28.98	25GB/Month	£33.98	25GB/Month	£39.98	25GB/Month	£47.98	25GB/Month	£7.00	£0.30/GB

Table 5 Guernsey broadband offers

Unusually, Sure, although the incumbent operator in Guernsey, does not apply any download limits while the new entrant, JT, does cap daytime download to 25GB. To offset this JT offers a lower cost by offering a lower line rental with its products.

Multi-service bundles

Multi-service bundles comprise a fixed line option, a mobile option and a broadband option (triple play).

JT currently only offers a 3-play bundle comprising Fixed line (with various call bundle options), mobile and broadband. This is available as “JT One” which represents a discounted price when compared to the individual product costs. JT One products have a download limit applied.

It is worthwhile noting that there are many products now available that enable simple usage of

internet television packages which can be simply connected to most television receivers and a suitable broadband connection.

Fixed Lines

Currently all fixed lines are provided exclusively by JT whether over copper or fibre. However, following a decision by CICRA (the JCRA in Jersey) JT will be required to provide wholesale single fixed lines from July 2015. This means that consumers can opt to have a single bill by transferring their line rental to their broadband provider. This will simplify things too when transferring between providers as the user will be able to take all their services from their new provider.

Unfortunately, CICRA has not included business lines (multiple lines as connected currently with ISDN services) but hopes to include these in the future.