

JT Uses Smart Wi-Fi to Create New In-home Connectivity Subscription-based Revenue Stream



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Summary

JT is the incumbent and largest telecoms operator in the Channel Islands. Its core market of Jersey is a high-tech territory with a 100% fibre network and the fastest broadband speeds in the world. JT recognized, however, that as well as investing in fibre, it also needed to invest in its home Wi-Fi network so it could supply this high-speed service seamlessly around the home – for this it turned to Plume, a smart home Wi-Fi technology specialist. By positioning Plume’s Wi-Fi platform as a premium product, JT was also able to create a new, in-home connectivity, subscription-based revenue stream.

Key points

- JT has utilized Plume’s smart Wi-Fi technology in three ways: to maximize the customer Wi-Fi experience, to enhance its troubleshooting and technical support capabilities, and to offer a range of new smart home services.
- Backed up by feedback from a customer pilot, JT has positioned its smart Wi-Fi solution - named JT Total Wi-Fi - as a tiered service, with only its top-tier customers receiving the product free. This enables the operator to create a new in-home connectivity subscription offering on top of its existing broadband service.
- JT recognized that to successfully take this proposition to the mass market, it needed to educate its customer base on the advantages of an enhanced Wi-Fi solution, and it set about creating an extensive and successful marketing campaign. Some 11% of JT’s Jersey triple-play base now takes the JT Total Wi-Fi product.
- Feedback from Total Wi-Fi customers has been extremely positive, with 82% of customers stating they were satisfied or very satisfied with their service, compared with 75% for standard Wi-Fi customers, leading to an increase in customer satisfaction scores from 6.3 out of 10 to 9 out of 10.

Business context

JT: A brief overview

JT is the incumbent and largest operator in the Channel Islands. The island of Jersey is a particularly hi-tech territory with a growing business and financial services sector and was the first jurisdiction in the world to have a 100% full-fibre network to all premises. In April 2020 JT, along with other local operators, worked with the Jersey government to increase the fibre network to symmetrical 1Gbps speeds. The remainder of this case study is focused on JT's Jersey operation.

Within its Jersey territory, JT offers dedicated broadband services from 500Mbps to 1Gbps as well as fixed and mobile bundles. Because the company provides such high broadband speeds to all its customers, JT also includes a usage allowance in its broadband tiering: a peak time (8am to midnight) 20GB usage allowance for its "Low" broadband usage offering, rising to unlimited in the top "High" tier.

The business drivers behind Wi-Fi investment

JT was an early adopter of full-fibre broadband networks, and thanks to the territory's early deployment of 100% fibre broadband, it is now recognized as having the fastest broadband network in the world with an average of 944Mbps. To put these speeds into context, Omdia predicts that countries normally recognized as being among the most-developed broadband markets, such as Singapore and China, will only reach average broadband speeds of over 900Mbps by 2026.

However, JT recognized that once it had successfully upgraded its access network to deliver ultrafast speeds to the router, it also needed to invest in the home Wi-Fi portion of the network, which in many ways is a more complex environment. Home Wi-Fi performance can be affected by many factors because of the way Wi-Fi radio signals work: everything including building materials (such as steel, granite, and wall insulation), domestic appliances, and electronic devices can block and disrupt Wi-Fi signals in a user's home. Most, if not all, of these factors are outside of JT's control. Therefore, if JT's clients were to fully benefit from the investment the telco had put into its broadband network, the company needed a home Wi-Fi solution that could successfully mitigate these types of issues as far as possible, ensuring Wi-Fi is evenly and seamlessly distributed throughout the home.

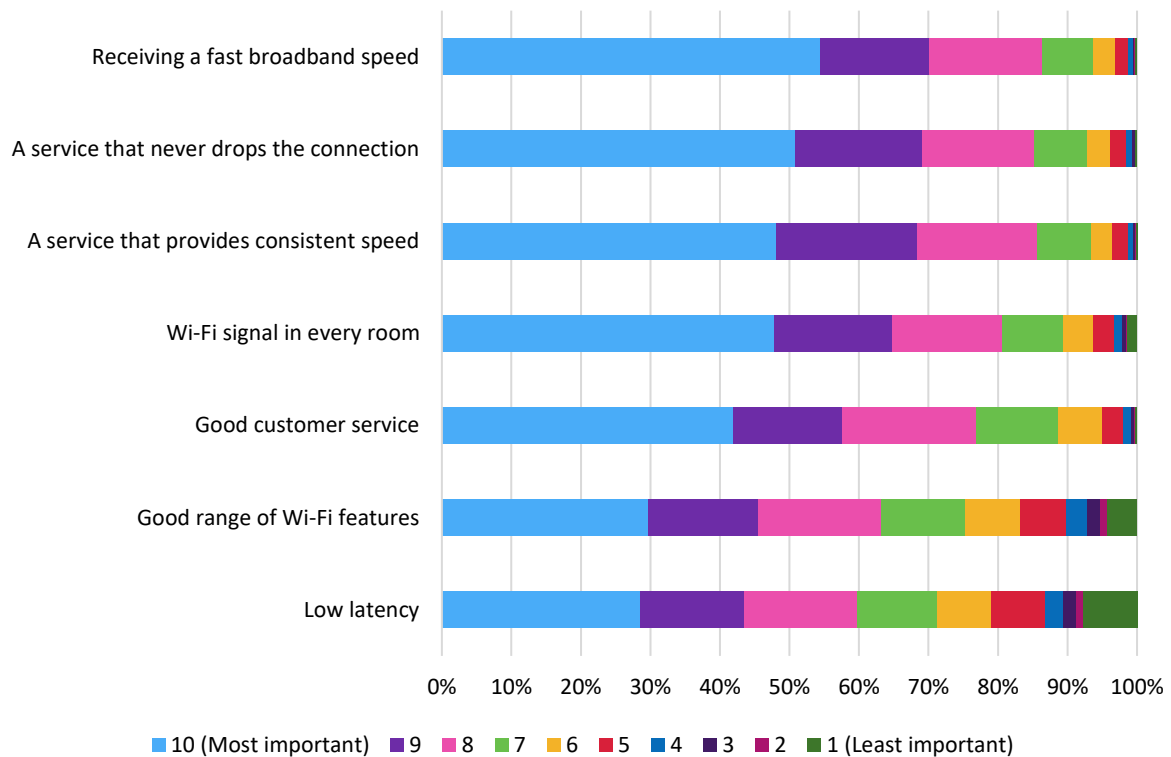
Creating a new connected-home experience

The drive to smart, adaptive Wi-Fi

As illustrated by Omdia's Digital Consumer Insights data (**Figure 1**), just providing ultrafast broadband speeds to the home no longer meets the needs of the modern broadband user. Although speed is, of course, still considered important, the chart shows that service consistency, service reliability, home Wi-Fi distribution, and efficient customer service when things do go wrong are also very important. Delivering fast speeds alone is not enough. However, none of these service characteristics is possible without investment in the home Wi-Fi network.

Figure 1: Service providers must focus on overall broadband service quality

What broadband customers value



Notes: n=10,062

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Source: Omdia Digital Consumer Insights

JT’s aim is to provide solutions that help its customers maximize the potential of the fibre-broadband network and the quality of their overall service experience within the home. To achieve this JT turned to smart home Wi-Fi technology specialist Plume, who helped the business in three distinct ways:

- By utilizing intelligent Wi-Fi optimization software, Plume’s technology provided a superior in-home solution, maximizing the fibre Wi-Fi speeds and the customer experience from the router to end devices.
- By utilizing Plume’s smart home services suite HomePass, JT also saw the launch of its smart Wi-Fi product - branded JT Total Wi-Fi - as a way of further monetizing its fibre network. HomePass provides a range of configurable services, such as cybersecurity, advanced parental controls, and motion detection, that can be controlled via a consumer mobile app.

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- Finally, before its partnership with Plume, JT had very limited insight into factors affecting the Wi-Fi signals inside the home. With the launch of the new Total Wi-Fi solution, JT now has a much clearer view of customer issues through a range of diagnostics reports provided by Plume's Haystack data prediction and analytics suite. This suite of customer service applications significantly enhances JT's ability to troubleshoot and remedy subscribers' issues far more efficiently than it could before.

Rollout and go-to-market strategy

Customer feedback was an essential part of the strategy

Before its mass-market rollout, JT trialed the new product with its “JT Voice members” (regular contributors to JT feedback). The trial consisted of 12 months free subscription in exchange for detailed feedback.

A summary of the top observations from the trial follows:

- The total number of SuperPods¹ per household required to achieve the best user experience may be more than two. Consideration should therefore be given to the additional cost of any extra pods needed and how JT provides guidance on the number of pods required for the optimum experience.
- Thought should be given to offering Total Wi-Fi as a tiered service with a range of price points to enable customers to choose the required level of support and value-added services.
- Comprehensive, helpful content about installation and setup, pod placement, and use of the app should be made available across written and video channels to prevent increased volumes of customer queries while at the same time increasing users’ knowledge and capability to enable them to optimize their own Wi-Fi.

Based on this customer feedback, JT implemented the following changes to its go-to-market strategy:

- Total Wi-Fi included it in its JT One bundle products.

¹ Plume’s solution utilizes small WiFi access points, known as SuperPods, that are placed in power outlets around a consumer’s home to ensure that wireless coverage is maximized and network performance is optimized. The number of SuperPods required depends on factors including the size and construction of the home. Though Plume provides pod designs that are made by Original Design/Equipment Manufacturers (ODM/OEM) under license, service providers are able to leverage OpenSync to enable the use of third-party devices to bring freedom of choice.

- Options for additional SuperPods were included in the customer sign-up journey.
- Two easy-to-follow help videos were created: one to help customers understand the purpose of the product and how it works and one to explain the setup process.

Customer education has driven success

Based on feedback from its customer pilot, JT positioned JT Total Wi-Fi as a tiered premium service. JT Broadband customers pay an additional £10 per month (including two Wi-Fi SuperPods), while JT One customers pay £5, and JT Ultra One customers receive the service free (see **Table 1**). In each case, there are options to add additional SuperPods for a small additional monthly fee.

Table 1: JT Total Wi-Fi tier positioning

Total Wi-Fi subscription details	JT Broadband customer	JT One customer	JT Ultra customer
Activation fee	£21	Free	Free
Standard number of SuperPods included	2	2	2
Fee per additional SuperPod	£4.20	£2.10	£2.10
Additional monthly fee	£10	£5	Free

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Source: JT, Omdia

The company recognized that to successfully encourage the mass market to pay extra for the product, there was a certain amount of education required to explain to its customers the differences between broadband and Wi-Fi and how a superior Wi-Fi setup could further improve their overall broadband experience.

The company, therefore, ran a series of advertising campaigns split into two broad phases: phase 1 focused on the initial launch offer and general awareness, and phase 2 focused on the end benefit and customer target segmentation. The campaigns were a great success, contributing to a 41% boost over the initial sales target. JT is now the market leader in home Wi-Fi in the Channel Islands, creating a new in-home connectivity, subscription-based revenue stream in the process.

Success metrics and overall outcome

JT’s marketing campaign was a true success with a customer penetration rate of JT Total Wi-Fi in Jersey of 25% (11% of JT One subscribers take JT Total Wi-Fi). Customer feedback told JT that customers taking the JT Total Wi-Fi option tend to be more satisfied with their broadband service

than standard broadband customers, with 82% stating they were satisfied or very satisfied with their service compared with 75% of standard customers. This has led to increased customer satisfaction scores, which have risen from 6.3 out of 10 for standard Wi-Fi customers, to 9 out of 10 for JT Total Wi-Fi customers.

Appendix

Methodology

Omdia Case Studies leverage in-depth interviews with key stakeholders and a review of any available documentation such as financial reports, press releases, and company presentations.

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