

Home ISPs & Bundled Services - Canada - 2022

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This report looks at the following areas:

- Ways of accessing the internet at home.
- Services that Canadians want to bundle with their home internet.
- Consumers' satisfaction with their current internet providers.
- Home and network security opportunities and challenges.
- Opportunity analysis of rural Canada.

Home internet is simultaneously one of the most important and least important parts of a consumer's day-to-day life. On one hand, it is so vital that any brief outage is a major inconvenience and an extended disruption is front-page news. On the other hand, many Canadians are not even sure how they get their internet (eg cable, DSL, fixed wireless). At this point, home internet is like a utility to many consumers – it is something incredibly important (like water or electricity), but is taken for granted and only top of mind when there is a problem.

At a market level, the COVID pandemic directly impacted home internet usage; 66% of consumers say that their home internet is more important now due to the pandemic. While a return to normal out-of-home activities will make home internet less vital than it was earlier in the pandemic, a more digital consumer base in general will have a lasting impact on ISPs' importance. Meanwhile, the effects of rapid inflation have been less direct; rising costs in other industries has made consumers more price-sensitive in general, which could affect their willingness to spend on home internet upgrades (or motivate a shift to a cheaper provider), but is not directly impacting what these customers pay.

The biggest challenge for this industry is the lack of engagement from consumers. High satisfaction rates indicate that the market is stable, but low engagement – illustrated by a lack of knowledge about what type of internet one has – makes it more difficult to upgrade or acquire customers. It is a 'set it and forget it' service that exists in the background of consumers' lives and the



“Home internet is now a necessity for Canadian households. Its importance has created a very stable industry, and most customers are happy with their service. However, that stability comes with low consumer engagement and a static market.”

– **Scott Stewart, Associate Director, Lifestyles & Retail**

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similarities between providers (ie they all connect to the same internet) makes price a major competitive factor.

There is a white space opportunity for growth, however. Rural Canada is still significantly underserved due to the logistical challenges of establishing high speed internet infrastructure in sparsely populated areas. Consumers in those areas are the most open to finding new providers and are dissatisfied with the lack of choice they currently have. Its population pales in comparison to urban/suburban Canada, but is an opportunity in an industry where many consumers have little interest in engaging.

What's included

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