

Operators can charge higher prices for premium plans, but they need to justify them

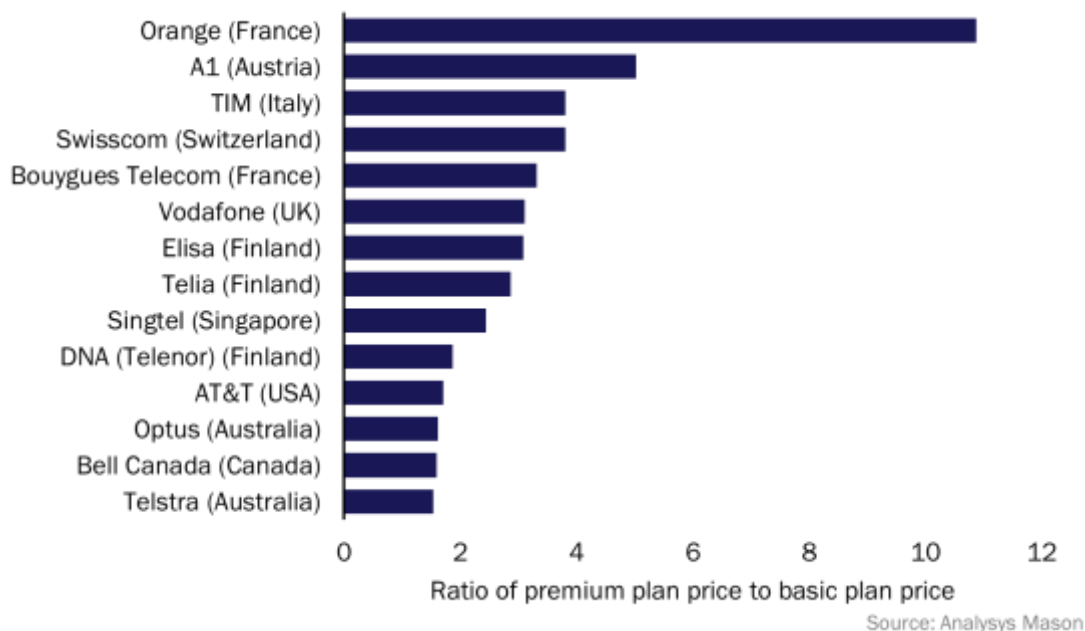
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Mobile operators would like to raise the ARPU of their business mobile services but may struggle to justify higher prices. Indeed, many business customers already have large or unlimited data allowances or may simply be unwilling to pay a higher price to get more data.

Some operators have overcome this problem by creating a generous pricing gap between their cheapest, ‘basic’ plans and their most expensive, ‘premium’ plans (Figure 1) and differentiating between the plans in various ways. For example, operators can use data allowances, speeds, customer care and value-added services to justify the higher price of their premium offerings.

Figure 1: Ratios of premium business mobile plan prices to basic business mobile plan prices, worldwide, 2022



Operators can either offer mobile plans with high pricing ratios to increase ARPU or keep the ratios low in order to win market share

Orange (France), A1 (Austria), TIM (Italy) and Swisscom (Switzerland) have the largest pricing gaps between their basic mobile plans and their premium plans of the operators that we studied. They have justified these higher costs by including a variety of premium features, such as unlimited data (or larger data allowances), 5G access, faster download/upload speeds, better voice/SMS roaming coverage, service discounts and value-added services (Figure 2). For example, Vodafone (UK) offers device care to its premium plan subscribers, Orange (France) offers upgraded support with its premium plans and customers that take Telstra’s premium service earn

loyalty rewards points and credits towards the purchase of business services. Small and medium-sized enterprises (SMEs) are looking for ‘enterprise-like’ care from their providers and these types of services can address this demand.¹

Figure 2: Comparison of operators’ basic and premium business mobile plan offerings

Operator	Plan type	Data allowance	Network and speeds	Roaming area
A1 (Austria)	Basic	7GB ²	100Mbit/s (download)/20Mbit/s (upload)	Limited
	Premium	Unlimited ²	5G; 500Mbit/s (download)/100Mbit/s (upload)	Extended
AT&T (USA)	Basic	Unlimited		
	Premium	Unlimited	5G (AT&T Business Fast Track ³)	Extended
Bouygues Telecom (France)	Basic	5GB ²	4G	Limited
	Premium	240GB ²	5G	Extended
Bell Canada (Canada)	Basic	Unlimited	4G; 10GB at 150Mbit/s and any other data at reduced speeds	Limited
	Premium	Unlimited	5G; 50GB at fastest available 5G speeds and any other data at reduced speeds	Extended
DNA (Telenor) (Finland)	Basic	Unlimited ²	4G; 50Mbit/s	
	Premium	Unlimited ²	1000Mbit/s	
Elisa (Finland)	Basic	Unlimited ²	4G; 10Mbit/s	
	Premium	Unlimited ²	5G; 1000Mbit/s	
Optus (Australia)	Basic	30GB	5G	
	Premium	500GB	5G	
Orange (France)	Basic	5GB	4G	Limited
	Premium	300GB	5G	Extended
Singtel (Singapore)	Basic	6GB	4G	Limited
	Premium	120GB	5G	Extended
Swisscom (Switzerland)	Basic	2GB	5G; 50Mbit/s (download) ²	
	Premium	100GB	5G; 2Gbit/s (download)	
Telia (Finland)	Basic	Unlimited ²	4G; 20Mbit/s	
	Premium	Unlimited ²	5G; 1000Mbit/s	
Telstra (Australia)	Basic	40GB	4G	
	Premium	300GB	5G	
TIM (Italy)	Basic	30GB	4G	
	Premium	Unlimited ²	5G	Extended
Vodafone (UK)	Basic	1GB	4G	

¹ For more information, see Analysys Mason’s [Strategies for improving ARPU for SME mobile services](#).

² Some geographical restrictions may apply.

³ Eligible business data is assigned a higher priority than other data traffic.

Operator	Plan type	Data allowance	Network and speeds	Roaming area
	Premium	Unlimited	Max. 10Mbit/s (download)	Extended

Source: Analysys Mason

5G network access is one of the most commonly used tools to differentiate between premium plans and basic plans. Indeed, 10 of the 14 operators that we studied only include 5G in their premium plans, while basic plan users have to make do with 4G. Small and medium-sized enterprises (SMEs) have [previously indicated](#) that 5G services are less of a priority than other features, but over a third of SMEs will prioritise 5G when making mobile plan choices nonetheless.

Orange (France), for example, only offers 5G to its premium plan subscribers. These plans cost from EUR40 per month for 150GB of data to EUR133 per month for 300GB of data. Orange's lower-tier plans have smaller data allowances and only provide 4G access. They cost from EUR13 per month for 5GB of data to EUR35 per month for 80GB of data.

At the other extreme are operators that have only a small difference between the price of their most expensive plan and that of their cheapest plan. Examples include Telstra (Australia), Bell Canada, Optus (Australia) and AT&T (USA). Indeed, Telstra only has three business mobile plans for SMEs; the most basic plan offers access to 4G services only and includes 40GB of data for USD39 per month, while the more premium plans offer 180GB and 300GB of 5G data for USD46 per month and USD60 per month, respectively.

Operators can increase ARPU by encouraging customers to take higher-cost, premium mobile plans

Operators can grow ARPU by extending their portfolios of mobile business plans to include higher-priced packages with a number of upgraded features such as larger data allowances, faster speeds, broader geographical coverage and value-added services. Ensuring that their basic plans differ significantly from their premium plans will help operators to capture high-value SMEs. Entry-level plans that are deliberately unattractive may also encourage customers to consider more-expensive options.