



Consumer Awareness of Premium Rate Services (PRS)

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1. Introduction

Background

1.1 Premium Rate Services (PRS) is a highly dynamic and an innovative market. The characteristics of PRS are no longer distinctive to the entertainment and information service traditionally associated with PRS.

1.2 Oftel is currently reviewing the allocation of content and non-content services on 09 (PRS) and 08 (Special Services, such as freephone, national rate or local rate) number ranges.

1.3 The 090 code currently provides content services such as competition and voting lines, information or entertainment services, chatlines and adult services.

1.4 The 0909 numbers are currently allocated to adult services and 09059 are allocated to chatlines – in order to distinguish them from other content services.

1.5 091 numbers have been allocated for non-content services – currently used for direct dialling to International numbers, however there are very few 091 numbers in use.

1.6 The 09 number range is charged between 10p per minute to £1.50 per minute or fixed single charge amounts when calling from any phone (fixed or mobile). Costs vary according to the operator/supplier being used to make the call and the type of service being called. There is also industry pressure to make numbers available for services at higher rates (ie, up to £5 per minute).

1.7 08 numbers are mainly Special Services (SS) such as freephone/ no charge to caller (0800), local rate/up to 5p per minute (0845) or national rate/up to 10p per minute (0870). However, some PRS services are currently available on 08 numbers and charged at less than 10p per minute.

1.8 The current distinction between 09 and 08 numbers is cost – 09 charged at over 10p per minute and 08 charged at less than 10p per minute. Content is not currently a distinguishing factor and only becomes a factor when comparing 090 (content) and 091 (non-content).

Objectives

1.9 This research was conducted by IPSOS-RSL on behalf of Oftel to examine consumer perceptions of premium rate numbers. It supplements qualitative research (attached), the purpose of which is to give a better understanding on customer awareness on content and non-content services, cost of calls to such services, and whether the cost affects their decision to call these numbers.

1.10 This survey was part of a national Omnibus, carried out in May 2002. It was conducted using a sample of 894 GB adults aged 15+ with fixed line or mobile

phone. The results are subject to an error margin of 2-4%¹. This report has been prepared by Oftel² based on the results provided by IPSOS-RSL.

1.11 This report covers:

- *Awareness of PRS numbers amongst consumers*
- *Awareness of cost of calling these numbers*
- *Factors affecting awareness*
- *Type of PRS numbers called by consumers*

1.12 A copy of the questionnaire is attached in Annex A

¹ The error margin for this total sample of 894 consumers is about 2-4%, but is higher amongst smaller subgroups. Results referred to as 'significantly' different, have been tested at the 95% level of confidence and hence are outside of the error margins and therefore can be considered real changes.

² The report should not be seen as recommended best buys and should not therefore be relied upon when making purchase decisions. Oftel has conducted its own checks on the data in this report and whilst we consider it to be correct, Oftel accepts no liability in respect of any of the results provided to it by Ipsos-RSL or any decisions taken by any person in reliance on the report.

2. Summary

Around a third of fixed phone customers recognise 09 numbers as premium rate

2.1 A third (31%) of fixed line customers are aware of the cost of calling 09 numbers - 25% said it was a premium rate number and a further 6% said it was expensive.

2.2 There is greater awareness of the correct cost of 0800 (77% knew it was free) than for 09 numbers – around half as many (40%) are aware that 090 is charged between 10p-£1.50. Awareness of the correct cost of 09 numbers was higher than for local and national rate numbers, although this is probably due to the more diverse range of 09 charges.

2.3 Callers of PRS numbers are significantly more aware than average (38%) that 09 numbers are premium rate services or expensive. The qualitative survey suggests that consumers base their cost estimates on the context and content of the service rather than the code.

2.4 On average most consumers are aware that calls to each code costs more from mobiles than fixed lines. And the estimated cost for 09 codes in particular (68p from mobile and 63p from fixed) is consistent with the recent qualitative survey which estimated the cost of calls to PRS from a fixed line to be in the region of 50p-60p.

Consumers don't associate the 09 code with specific content

2.5 There is lower awareness of the content on 09 numbers compared to the cost - 5% in total spontaneously associated 09 numbers with specific content. This perhaps reflects the diverse range of services available or suggests this aspect is not widely understood by fixed line customers. 3% mentioned 09 were competition lines and 1% each said adult services and chat lines. Information services and voting lines were each mentioned by less than 1% of fixed line customers. Half of fixed line customers did not know anything about 09 numbers.

About half of fixed phone customers claim to have called a PRS number – highest amongst younger customers

2.6 Half of fixed line customers claim to have called a PRS number. The most popular services called are competition lines and voting lines. 16% of mobile customers claim to have called a PRS number - information services were most popular. Calls to PRS numbers were most popular amongst younger consumers (c. 3 in 5 15-34 year olds had called PRS numbers).

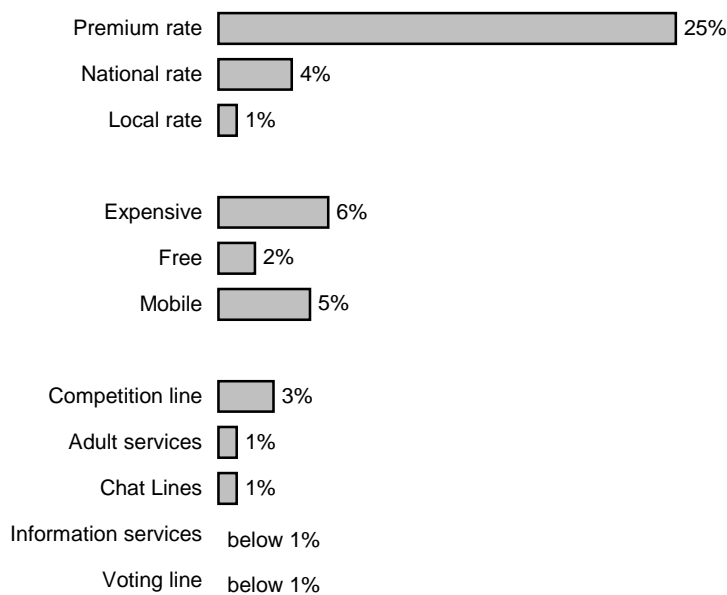
Main findings

3. Perceptions of the 09 code

3.1 Around a third (31%) of fixed line customers recognised 09 as a premium rate service or an expensive type of call as shown in figure 3a. Fewer were aware of the content on 09 numbers, 3% mentioned 09 numbers were competition lines and 1% each said adult services and chat lines. Information services and voting lines were each mentioned by less than 1% of fixed line customers. This equates to 5% of fixed line customers aware of some content aspect of PRS.

Figure 3a: Consumer perceptions of 09 numbers, unprompted

Base: GB fixed line customers, May '02 (Base: 894)

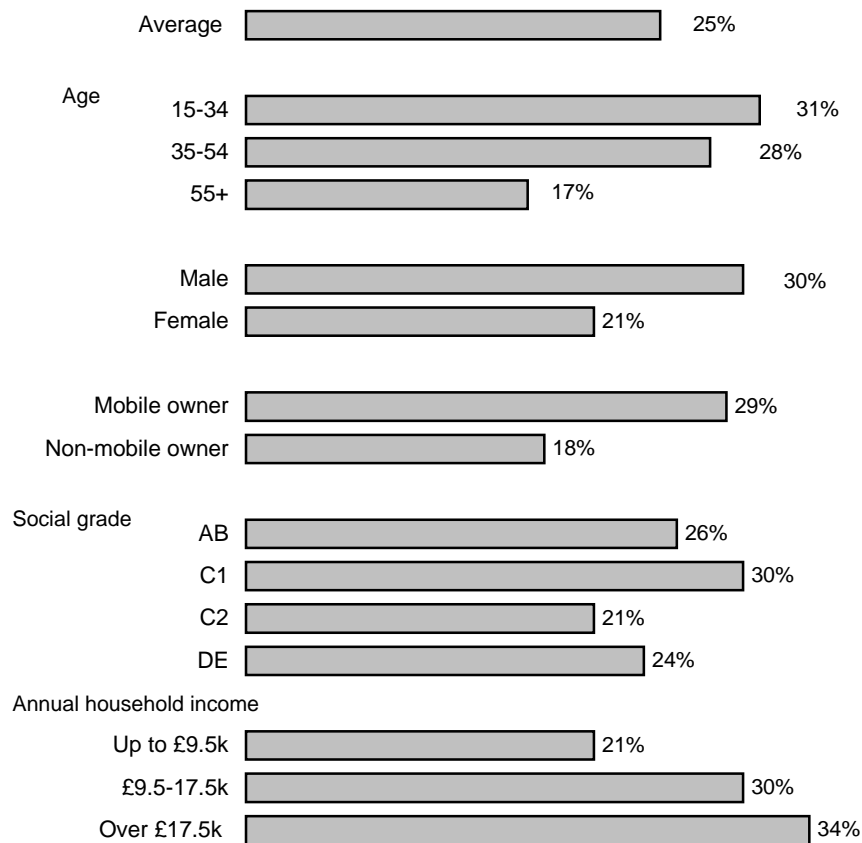


3.2 The qualitative research confirms that although some people are aware of 09 codes being expensive most are unclear about the services provided - it is seen more as cost related rather than content e.g. competition or voting lines. The research mentions that while people do call these types of PRS numbers they do not remember the numbers and are unclear whether they called 08 or 09. This may explain why consumers do not seem to automatically associate the 09 prefix with these types of services.

3.3 Awareness of 09 numbers as premium rate was highest amongst 15-34 years olds, men, and higher income groups, as shown in figure 3b. Awareness was also higher amongst fixed line customers with a mobile than those without. In the qualitative research, 09 codes were readily recognised by teenagers who used 09 prefix numbers to download ring tones or graphics for their mobile phones.

Figure 3b: % of GB customers aware that the 09 code is for a premium rate service

Base: GB fixed line customers, May '02 (Base: 894)



3.4 Awareness that 09 numbers were high cost (premium rate or expensive) was also significantly higher than average amongst those consumers who have ever called a PRS number (38% aware).

4. Calls to PRS numbers

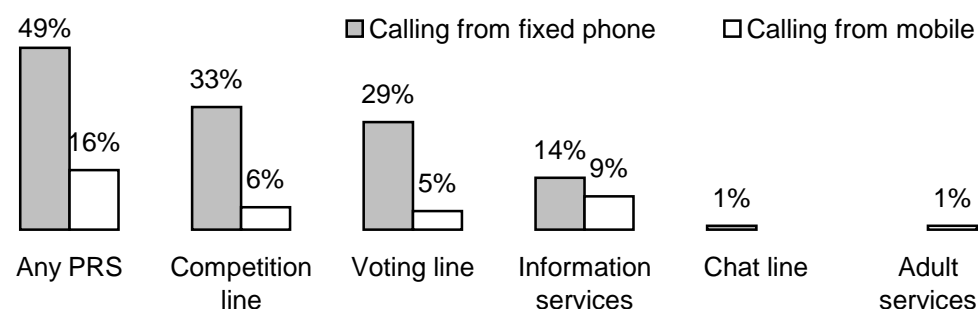
4.1 Half of all fixed line customers (49%) claim to have ever called a PRS number from their fixed line, the most popular being competition lines (33%) and voting lines such as big brother, pop idol and who wants to be a millionaire (29%). Fewer had called information services, chat lines or adult services, shown in figure 4a.

4.2 In comparison, 16% mobile customers claimed to have called a PRS number from their mobile, the most popular call was to information services (9%).

4.3 The qualitative study into consumer behaviour and attitudes relating to PRS also showed that the most popular PRS calls were to TV voting and competition lines. Consumers feel they provide excitement and a chance to get involved and / or to win a prize, which they feel justifies the cost of the call.

Figure 4a: % of customers calling PRS

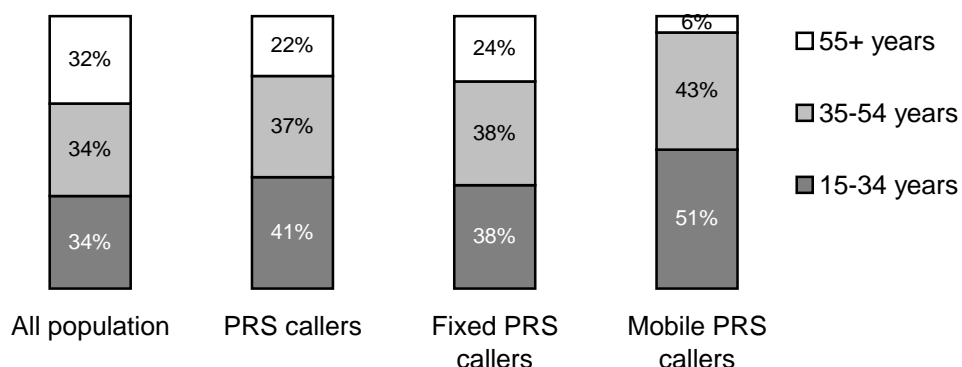
Base: GB fixed line and mobile customers, May '02 (Base: 894 - fixed, 728 - mobile)



4.4 Consistent with knowledge about 09 numbers, the highest proportion of customers calling PRS numbers, from either fixed line or mobile phones, also fall within the younger age brackets as shown in figure 4b. Higher social grades are amongst those most likely to have called an information service from either a fixed line or mobile phone. However, generally there is little difference between gender, social grade or income amongst those calling any PRS from either landlines or mobile phones.

Figure 4b: Profile of GB customers calling 09 numbers

Base: GB customers calling 09 numbers, May '02 (Base: 894 - fixed, 728 - mobile)



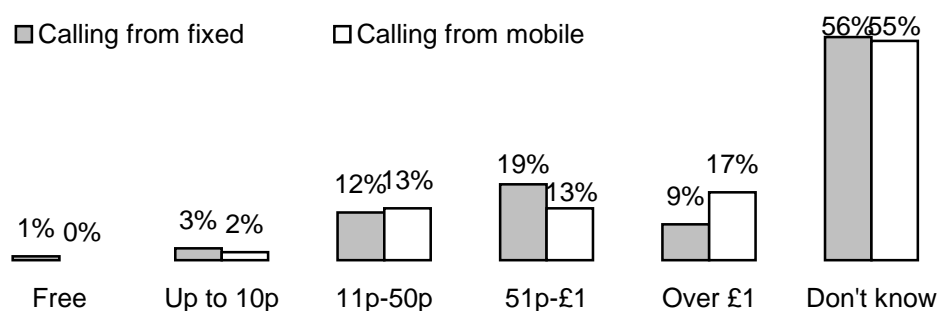
5. Awareness of the cost of calling 09 numbers

5.1 The 09 number range is charged between 10p to £1.50 per minute from either a fixed line or mobile phone. 40% of fixed line customers are aware that the average cost per minute to PRS from a fixed line is over 10p, and this awareness was similar amongst mobile customers (43%) when asked about calling PRS from a mobile, as shown in figure 5a. Awareness is higher amongst younger age groups and in higher income groups.

5.2 Just over half of consumers said they didn't know the average cost of calling 09 numbers from either landlines or mobiles.

Figure 5a: Awareness of average per minute cost of calling 09 number

Base: GB fixed or mobile customers, aged 15+ (Base: 894 - fixed, 728 - mobile)

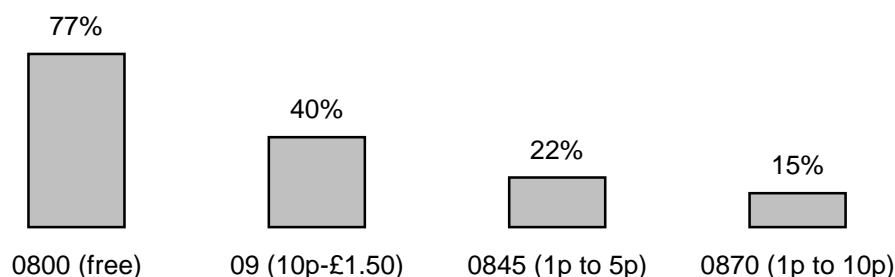


5.3 Comparing awareness of the average per minute cost of calling 09 numbers with other special service numbers, such as 0800, 0845, 0870, 077/078/079, mobile numbers and information services from fixed lines, there was a relatively high awareness of the cost of calling 0800 numbers. Three quarters (77%) of the fixed line customers were aware these are free.

5.4 In comparison to 0800 numbers, awareness for 0845 (local rate) was low. 22% were aware the cost was 1p-5p per minute, and fewer still were aware 0870 (national rate) numbers were 1p-10p (15%), shown in figure 5b. The results tally with the qualitative research, which showed that the awareness of the exact cost of calling 0845 and 0870 is unclear compared to 0800 numbers. Awareness of the correct costs of calling 09 numbers was higher than for 0845 and 0870. This is perhaps a reflection of the wide spread of 09 costs, and the fact that consumers were not asked for the exact range, but rather any amount mentioned within the correct range was coded as correct.

Figure 5b: Awareness of the correct cost of calling special prefix numbers

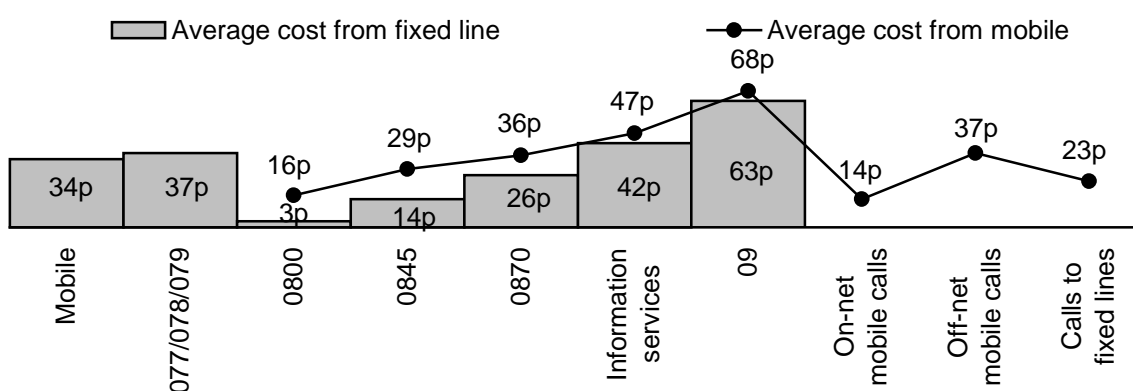
Base: GB fixed phone customers, aged 15+ (Base: 894)



5.5 As shown in figure 5c, estimates of costs from mobile phones were higher in all instances than from fixed phones.

5.6 09 numbers are estimated to be the most expensive average per minute cost, 63p amongst fixed line customers and 68p amongst mobile customers, when calling from landlines and mobiles respectively. Information services whilst not quite so high in comparison are estimated to cost more than other numbers (42p from fixed line and 47p from mobile phone). Although consumers do not automatically associate 09 numbers with information and content services, they do expect these types of calls to be more expensive.

Figure 5c: Average per minute cost of specific numbers and services
 Base: GB customers with fixed line or mobile (Base: 894 - fixed line, 728 - mobile)



note: on-net - calls to mobiles on the same network, off-net - calls to mobiles on different network

5.7 Over half of the mobile customers (54%) did not know the cost of calling information lines and 09 numbers (53%).

5.8 Whilst awareness of the exact cost to call 0845 and 0870 numbers is low in comparison to 0800 numbers, as discussed earlier, consumers seem to be aware that 0870 are more expensive than 0845 numbers. This is also reflected within the qualitative research.

Annex - A

QUESTIONS FOR OMNIBUS - PRS

ASK ALL WITH FIXED LINE PHONE

Q1. Do you currently receive an itemised phone bill showing all of your outgoing calls from your fixed line phone? SINGLE CODE

Yes

No

Don't know/no answer

ASK IF RECEIVE ITEMISED FIXED LINE BILL (Yes at Q1)

Q2. Which of the following best describes when you would check the individual calls listed on your fixed line phone bill? SHOWCARD, MULTICODE

I always check my phone bill

I check my phone bill if it is higher than usual

I check my phone bill if I have made any long distance/International calls

I check my phone bill if I have called any expensive/premium rate numbers

I never check my phone bill

Other

Don't know/no answer

ASK ALL WITH FIXED LINE PHONE

Q3. What sort of phone number do you think begins 09?

ASK ALL WITH FIXED LINE PHONE

Q4. On average how much do you think it costs per minute to call the following numbers from your fixed line phone? PROMPT IF NECESSARY, SINGLE CODE FOR EACH

a) 0800

b) 0845

c) 0870

d) 09

e) 077/078 or 079

f) mobile

g) information services (such as weather, sport or traffic updates)

Free

1p-5p

6p-10p

11p-25p

26p-50p

51p-£1

Over £1

Don't know/no answer

ASK ALL WITH A MOBILE

Q5. On average how much do you think it costs per minute to call the following numbers from your mobile phone? PROMPT IF NECESSARY, SINGLE CODE FOR EACH

- a) 0800
- b) 0845
- c) 0870
- d) 09
- e) Mobiles on the same network
- f) Mobiles on a different network
- g) Fixed line phones
- h) Information services (such as weather, sport or traffic updates)

Free

1p-5p

6p-10p

11p-25p

26p-50p

51p-£1

Over £1

Don't know/no answer

ASK ALL WITH A FIXED LINE PHONE

Q6. Which of the following have you ever called from your fixed line phone? SHOW CARD, MULTICODE (Yes, no, don't know for each part)

Competition line

Voting line (such as 'Big Brother', 'Pop Idol' or 'Who wants to be a millionaire?')

Information services (such as weather, sport or traffic updates)

Chat line

Adult services

ASK ALL WITH A MOBILE PHONE

Q7. Which of the following have you ever called from your mobile phone? SHOW CARD, MULTICODE (Yes, no, don't know for each part)

Competition line

Voting line (such as 'Big Brother', 'Pop Idol' or 'Who wants to be a millionaire?')

Information services (such as weather, sport or traffic updates)

Chat line

Adult services