

**OFTEL**  
**Premium Rate Services**

**Qualitative Research**  
**Report**  
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## **A. INTRODUCTION**

### **1. Background to the study**

Premium Rate Services ("PRS") are special services commonly containing information or entertainment generally accessed by dialling or keying special telephone numbers (normally advertised on '090' dialling codes). Customers pay for services and calls through their normal telephone bill. PRS are almost always more expensive than standard call tariffs. For this reason, since their introduction in the UK, PRS have been subject to certain safeguards

The purpose of regulatory intervention in the case of Premium Rate Services (PRS) is to secure the adequate protection of consumers from a number of problems i.e. running up high bills which consumers cannot afford to pay, unauthorised use of the service, inappropriate access by minors to certain material and potential abuses by Service Providers.

Qualitative research was required to explore consumer perceptions of PRS calls. More specifically, 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 and research was required to inform future decision making.

Currently, the 08 and 09 number ranges are split by cost with 08 at 10p a minute or less and 09 over 10p a minute. Within the 09 number ranges, adult content and live chatlines are ring-fenced on 0909 and 09059 prefixes. However, as the current structure is primarily cost based, PRS type services are charging under 10p per minute and using 08 prefixes.

## 2. Study aims

Specifically, the research aims were to:

- Explore PRS calling behaviour
  
- Establish what consumers know and assume about the 08 and 09 number ranges, looking in particular at...
  - Cost
  - Content
  - Overall structure and sub-structure
  
- Understand what consumers want and need to know about 08 and 09 numbers

## **B. RESEARCH APPROACH**

### **1. Methodology**

A total of 16 individual depth interviews and 4 family pairs (parent and child, interviewed separately) were conducted in London, Norwich and York between the 27<sup>th</sup> and 29<sup>th</sup> May 2002. Fieldwork was conducted by Liz Owen, Annabel Baber and Alex Prebble.

Depth interviews were used in order to explore individuals' behaviour in depth, and also to provide a more private environment in which to discuss views on PRS calls and services.

### **2. Sampling**

The sample was primarily split by usage or non-usage of PRS services, and lifestage. The sample was biased towards users of PRS services, in order to understand current behaviour and decision making in depth. The sample was also designed to cover a wide range of ages and lifestages (from teenagers to retired people).

	<b>Teenagers</b>	<b>Young adults</b>	<b>Young families</b>	<b>Older families</b>	<b>Older people</b>
<b>Users of PRS</b>	4 x family pairs (8 respondents in total)	4 x depth interviews	4 x depth interviews		
<b>Non-users of PRS</b>			2 x depth interviews	2 x depth interviews (4 parents included in family pairs)	4 x depth interviews

A range of other factors was also incorporated within the sample.

Within users of PRS services, the sample included an even split of men and women. At least four respondents were C2D socio-economic grade. At least three respondents used mobile phones to make PRS calls and At least four used suppliers other than BT for home phone services. Finally, at least half of the PRS users sample owned mobile phones.

The sample of non-users of PRS services also included an even split of men and women. At least three respondents were C2D socio-economic grade. At least half of the sample owned mobile phones and at least two used suppliers other than BT for home phone services.

### 3. Detailed sample

#### PRS users

Teenagers	Young adults	Young families
1 x family pair, C2D, London	1 x depth, owned mobile phone and used for PRS, London	1 x depth, London
1 x family pair, mobile phone owners, York	1 x depth, non BT, London	1 x depth, C2D, York
1 x family pair, non BT, Norwich	1 x depth, C2D, mobile phone owner, York	1 x depth, non BT, Norwich
1 x family pair, non BT, owned mobile phone and used for PRS, York	1 x depth, owned mobile phone and used for PRS, Norwich	1 x depth, Norwich

**Non users of PRS**

<b>Young families</b>	<b>Older families</b>	<b>Older people</b>
1 x depth, C2D, mobile phone owner, London	1 x depth, non BT, London	1 x depth, mobile phone owner, London
1 x depth, non BT, Norwich	1 x depth, mobile phone owner, York	1 x depth, mobile phone owner, York
		1 x depth, C2D, York
		1 x depth, C2D, Norwich

## 1. Stimulus materials

The following was used as stimulus in the research:

- A range of magazine adverts, Scratchcards and TV logos
- 08 and 09 number prefixes
- Content genres
- A brief outline of current structure
- Three options for 08/09 structures
  - cost only
  - content only
  - cost with some content ring fencing (current)

Where possible, these are appended to this document.

## **C. SUMMARY AND CONCLUSIONS**

1. Content and media play the biggest roles in consumer PRS decision making. What the service is and where the service is advertised are shorthand indicators of cost.
2. Exact cost is generally not a major issue for most PRS users. This is largely because most PRS calls are relatively cheap and short. In addition, increased usage of mobile phone over the last few years has pushed up cost tolerance thresholds: many consumers now expect calls to cost 50-60p per minute.
3. Most consumers are 'savvy' about different types of PRS services. TV voting and competition lines are seen as the acceptable face of PRS services: relatively cheap, short calls provided by reputable companies. Most other PRS calls are regarded as money making 'scams'.
4. Overall, number prefixes are not currently used to aid PRS or Special Services (SS) decision making. Most PRS users only retain the number long enough to dial it.
5. Generally, consumer understanding of the current structure is limited. There is an overall sense that 08 is cheaper and somehow feels 'safer' than 09. However, consumers are light on detail of the specific costs per minutes and prefixes within 08 and 09 number ranges.
6. When the current pricing-based structure is revealed, the most surprising element is that the call cost is split at 10p per minute. Most over-estimate the split, i.e. they expect 08 to be more expensive than 10p per minute.

7. When people are made aware of the current structure, it also raises concerns about the breadth of call charges within the 09 number range.
8. The content ring-fencing within the current system is considered to be responsible but not a significant issue for most respondents (Caveat: minority of concerned parents). There seems to be no practical benefit in complicated prefixes. Significantly, there were few concerns that 08 would be tainted by adult services or chatlines using the 08 prefix.
9. Overall, the current structure (cost based with some imperfect content ring-fencing) is preferred to other options (cost based with no content ring-fencing, content based). A cost based division is perceived to be simple and intuitive, with real practical benefits for consumers.
10. In terms of future development, the most salient issue is the breadth of potential call costs within the 09 number range. The current range of between 11p and £1.50 per minute is felt to be too broad. Consequently, the possible extension to £5 per minute raises substantial concerns.
11. There are two options to remedy this problem; add another cost category, ie £1+, or raise the threshold between 08 and 09, e.g. above and below 50p per minute.
12. On balance, adding another cost category is preferable. The main advantage to this approach is that it retains the sense of 08 as safe and cheap at 10p per minute and under. It would also provide more detailed information about the cost of the call. In other words, it would tell the consumer more than just that this call will cost upwards of 11p per minute.

13. However, any developments will need to be simple. Ideally, they need to be based on the first number of prefixes only, as even with widespread use, 0845 and 0870 are not fully understood. Future developments also need to be well publicised to provide practical benefits to consumers. This will be even more important if it is necessary to use two digits to indicate price, rather than just one.
  
14. Given the relatively low awareness of the specific details of the current system, there is also substantial scope to add value by publicising the details of the current system. Specifically, consumers would welcome confirmation of the existence of a cost based split between the 08 and 09 number ranges, and specific cost per minute information. This would help to reinforce the current sense that 08 is cheaper and safer than 09.

## **D. MAIN FINDINGS**

### **1. Current PRS behaviour**

#### **1.1 *Types of PRS calls made***

Amongst users of PRS, TV voting and competition lines dominated. Most PRS users within the sample recalled using TV voting lines, including Pop Idol and Big Brother. Typically, they were seen as a bit of fun and an opportunity to get involved in the event, especially amongst teenagers. Indeed, for some younger respondents, voting had become social currency.

*'I think you watch it (Pop Idol) and think they deserve to win so you vote for them... It's nice to take part. I like watching things that you are involved in. When you are sat at home watching I like to think that I've joined in.'*

PRS user, young family, London

Competition lines were also popular and salient. Who wants to be a Millionaire, Good Morning, The Vault and SMTV live were frequently mentioned. The reason consumers entered the competition was that they felt they had a chance of winning – many said that easy competition questions drew them into calling. These services were also thought to be worth the charge of the call given the size of the prize. Interestingly, competition lines tended to generate a sense of excitement ('It might be me!!') and they also contributed to the sense of involvement in the programme.

*'It's not as if you are phoning all the time is it? It is just like once a week. It is just a bit of fun really, just in case you win.'*

PRS user, young family, London

Some consumers were calling other types of PRS but this was much less widespread. Mobile phone ringtones and logo services were quite popular amongst teenagers and young adults. The reason for calling them was that they wanted a new tune or a new logo. One of the benefits of this service was that they could send it to friends once they had bought it.

Football club calls were also mentioned. They were the only means of accessing up to date information and therefore worth the cost to those heavily interested in the subject matter ie die-hard fans of a particular club or an England fan wanting immediate notification via texting of any England goals in the World Cup.

*'I do the odd quiz. I went through a spate of mobile phone ringtones and I am a big Arsenal fan and I ring their club line quite a bit.'*

PRS user, young adult, non BT, London

Magazine horoscopes were used very occasionally by a minority of respondents. They were generally used for particularly important times in life to help with decisions.

*'I went through a phase of phoning for my stars, but I used to phone from work. That was quite expensive.'*

PRS user, young family, London

## **1.2 Mobiles vs landlines**

Most mobile users made PRS calls from a landline rather than a mobile. All assumed that all calls were more expensive from mobile phones. Significantly, some were aware of the 'mobile costs may vary' small print in advertisements which heightened their wariness of using their mobiles to make these calls.

*'Phoning from a mobile is most expensive because you have got different tariffs from mobiles to landlines, but if it is a landline to a landline then it is less expensive.'*

PRS user, teenager, owner mobile phone and used for PRS calls, York

*'I would expect the rates from a mobile to be higher.'*

PRS user, young adult, non BT, London

There were two main reasons why some made PRS calls from a mobile. Sometimes they were calling whilst they were out or visiting friends. This was especially true of teenagers participating in TV voting e.g. Pop Idol.

In addition, there were some young adults and teenagers living at home who had to pay for PRS calls from a landline. These PRS callers used their mobiles because it was easier or less hassle for them to call from a mobile that they were personally responsible for. Even if it was more expensive, they preferred to use their mobiles rather than have their parents confront them about it when the PRS call appeared on the bill.

### **1.3 Perceptions of PRS calls**

Media and/or context drove assumptions about PRS calls. TV was seen as a trusted medium, especially terrestrial channels. Many of the shows that used PRS numbers for voting or competitions were part of popular culture and therefore thought to be safe. Generally, people felt that TV companies or programmes had too much to lose if 'they ripped people off' and they would therefore have to be responsible about how they priced and advertised PRS services.

Importantly, many believed PRS calls on TV shows tended to give a maximum amount the call would cost. Many said that they were aware

that price information was given even if they did not take the exact price on board. Typically, voting calls or competition calls were thought to be at a fixed cost and relatively cheap.

*'The competitions on TV always say 'go and ask the person who pays the bill before making the call'. I don't think these chatlines are going to say 'go and ask who is paying the bill, son '. I trust the TV things more than I do those in papers or magazines. I think they are a bit of a con... the TV is more regulated.'*

PRS user, older family, non BT, London

*'Most of them on the TV will say this will cost you no more than 50 pence or no more than £1, which is fair enough.'*

PRS user, parent of teenager, mobile phone owner, York

Conversely, magazines and scratchcard PRS calls were perceived to be less high profile and therefore less trustworthy. Generally, consumers believed that smaller 'unheard of' companies were placing advertisements or inserts. Many were suspicious that these small companies set out to make vast amounts of money from the phone calls alone and therefore they seemed more risky i.e. likely to charge more. In addition, consumers often felt dubious when there was small print but no guarantee of what the maximum cost of the call was.

*'On telly they give you winners, so you are more likely to see an end product than from a magazine. I don't trust magazines.'*

Non PRS user, young family, mobile user, C2D, London

#### 1.4 *PRS calling behaviour*

Consequently, behaviour differed substantially for the different types of call. For TV competitions and voting lines, consumers were unsure of the cost (either it was pence per minute or the total cost) but they assumed that the price was fixed or that there was a relatively cheap per minute rate.

*'I'm not phoning and making lengthy calls. It's just to enter a competition or whatever. It is chatting to somebody that is going to cost so much a minute.'*

PRS user, parent of teenager, mobile phone owner, York

With magazines and scratchcards, some consumers were more wary or 'savvy' and most checked the small print and were on the look out for scams. Furthermore, whilst on the phone, they tried to limit their time because they were more aware of the cost. However, others remained naïve and some had been caught out.

The number itself played little role in either scenario. It was the context and provenance of the number that dictated consumer decision making. Some teenagers were aware that 0906 was a 'dedicated' ringtone number but most consumers only held the number in their heads long enough to dial.

Consumers' assumptions about media and or the context were confirmed and compounded by bill checking behaviour. There were two approaches. One approach was only to look at the bottom line. With these consumers, PRS calls made up a relatively small element of the total bill. They tended not to check through the bill unless the bottom line was unusually high. Another approach was to check through every bill for anomalies. Consumers were scanning bills for long or expensive calls e.g. over £1. They paid relatively little attention

to the actual numbers called. Generally, calls from landlines to mobiles were more of a concern than PRS calls for most.

Overall, few consumers were aware of exactly what PRS calls cost. When asked to put costs to calls, many over-estimated relatively inexpensive calls. The perception was that calls to voting lines (Pop Idols, Big Brother) were around 50-60p in total. However, consumers tended to under-estimate more expensive calls. Thus, they felt that ringtone calls were also in the region of 50-60p per call. Significantly, mobile users in particular, expected most calls to be expensive ie around 50p per minute.

*'It's normally about 50p to call a voting line. Or they say it will cost you no more than this amount. If it said that it would cost you no more than £10 then I wouldn't ring it.'*

PRS user, parent of teenager, mobile phone owner, York

However, this lack of knowledge was not a barrier to calling. Although consumers did not know the exact price of a call, the media or context reassured them that the cost would not be too high. In other words, people felt that if the PRS call was on national television with millions watching it must be okay. Also, consumers felt that when they had called PRS numbers in the past their phone bill was not much greater so therefore they felt that PRS call charges must be reasonable. The fact that cost information was provided on TV also helped to reassure consumers that nothing was hidden. In addition, many of the PRS calls were of a restricted call length and thus people felt that the call charge would not be getting out of hand.

*'I know it is dearer to call a voting line but I don't really study the price.'*

PRS user, young family, BC1, South

Overall, the knowledge that the call was of a restricted length and that the service was reputable was more important than the cost per minute.

*'I would prefer to know the cost altogether, because if the call lasts five minutes then you know it is only going to cost that much and if it is too much then you don't call it. With cost per minute you don't know how long it is going to last for.'*

PRS user, teenager, mobile phone owner, York

### **1.5 People who had experienced problems with PRS calls**

The exception to this general lack of concern about exact price was when people had experienced high bills from PRS calls either through their own or their children's PRS calls.

Three problem areas emerged. Scratchcards were often the cause of unexpectedly high PRS calls. Typically, people did not read the small print and they got caught up by the promise of a prize. They believed they had won a substantial amount of money and did not realise that these scratchcards were a scam, making money out of costly phone calls.

Mobile phone ringtones were another problem area. People, typically children or teenagers, wanted a new ring tone. Often ringtones were quite 'faddy' and children changed their ringtones on a frequent basis. Children or teenagers tended not to notice or ignored the cost per minute information.

Finally, multiple calls to TV voting lines was often a cause of running up a high phone bill. Children and teenagers were repeat dialling voting numbers and were unaware of the call costs building up.

Generally, consumers picked up a high call cost (an individual call or multiple calls to the same number) when checking the bill.

Significantly, those who had been caught out by PRS charges tended to change their behaviour. If they had been caught out by their own behaviour, they would reduce or stop calling certain types of services. They then checked the small print of any call carefully and monitored the call length.

*'I called up one of these (scratch cards) many, many years ago... I reckon that would be an awful lot of money... They come on they stretch it out and then there is a bit of music so that is why I won't call them now.'*

PRS user, young family, Norwich

If they had been caught out by their children's calls they operated a much tighter screening process. Children had to ask or check with them before using the phone. Often PRS calls were banned altogether. Furthermore, some made their children pay for expensive calls which tended to act as an effective deterrent.

## **1.6 Overall PRS decision making**

Overall, decision making was driven by media and/or the context and then the call costs. The first step was to judge the media and/or the context and service and the content. If the PRS call was publicised as part of a TV programme with acceptable content, such as voting or a competition, consumers assumed cost was small or restricted and went ahead with the call.

If the call PRS was in a magazine and the content was acceptable, such as a ringtone, consumers tended to check the price and then decided whether to make the call.

If the PRS was featured in a magazine and if the content was unacceptable, such as a scratchcard or a chatline, then there was generally no interest in calling or they forbid their children to call and thus price was irrelevant.

### **1.7 Non users of PRS services**

Non users of PRS generally had little interest and knowledge of the area. There were two key issues. First, they tended not to be interested in the services offered. Second, they wanted to restrict their kids from calling to avoid hefty phone bills.

Non users tended not to discriminate by the number or even the call cost. They assumed that all would be relatively expensive. Overall, they were likely to dismiss PRS calls as frivolous or unnecessary.

## 2. Knowledge and expectations of PRS services

### 2.1 Perceptions of different services within PRS and SS call types

Both users and non users of PRS services perceived clear differences in the type of services offered over 08 and 09 numbers.

*'I would expect the 09 numbers to cost more, definitely.'*

Non PRS users, young family, mobile phone user, C2D, London

*'Generally, I think that it is the 09 that I am a bit more wary of.'*

PRS user, young adult, non BT, London

*'If I saw it was 0800 I would think 'oh, it's free' and if*

*I was in a queue and they answer me shortly then it would be all right.'*

PRS user, young family, London

There were two salient issues; trustworthy versus untrustworthy sources/providers and money making versus non-money making services. Consumers made judgements by media used and content offered.

In this research, 08 and 09 services were perceived to fall into three groups as follows:

#### **Group 1: Non money making services from trustworthy sources (less expensive)**

The PRS calls that fell into this group were calls for brochures, information etc.

*'I would say 0845 would be information services and probably 0800 as well. The most expensive numbers are probably 0900 numbers.'*

PRS user, young adult, owned mobile phone and used for PRS calls, Norwich

People made the distinction that the company providing the service made money out of the end product and not the phone call so charges were likely to be inexpensive. They were felt to be trustworthy because the company was providing a genuine service. Thus, most consumers would have no problem in ringing these numbers although there was much resentment at having to pay to hold. People assumed that call costs were relatively cheap. Generally, this type of PRS was associated with 08 numbers.

*'Quite a few business use the 0845 number. People I know think that to get the initial inquiry it makes a big difference.'*

Non PRS, older people, mobile phone owner, London

*'The 0800 numbers are free like helplines and the 0845 are for things like ordering catalogues and things like that.'*

PRS users, teenager, mobile phone owner, non BT, York

*'The 08 numbers have an air of business and conservatism about them. With the 09 numbers I think people know they can ring up for live chats. I think it is generally perceived that people who have these numbers (09) have them to make money and the people that have 08 numbers have them to provide a service.'*

Non PRS, older people, mobile phone owner, London

## **Group 2: Money making services from trustworthy sources (less expensive)**

PRS calls that were perceived to be trustworthy (less expensive) yet money making were TV competition/voting lines, football club calls and, for some, ringtones. Consumers were aware that companies made money from the call but there was something in it for the recipient i.e. a competition entry or a ringtone. They all had a fixed call duration so consumers were able to know exactly how much the call would cost. Call costs were thought to be acceptable for the service offered. Generally, consumers were unclear whether these were 08 or 09 numbers.

*'I think all the competition and voting lines are pretty similar in price, unless you are phoning sex chat lines and they are a couple of quid a minute.'*

PRS user, young adult, non BT, London

## **Group 3: Money making services from untrustworthy sources (more expensive)**

The untrustworthy money making services were the adult services, chatlines, scratchcards, horoscope/tarot and, for some, ringtones. Consumers were generally aware that companies made money from the call and therefore assumed the call would be expensive. The feeling of 'dodginess' that pervaded these PRS stemmed from the nature of the content. Adult services and chatlines were generally felt to be seedy. Scratchcards were thought to be a rip off and dishonest.

*'I would think the adult services were probably expensive, the chat lines and the dating services.'*

PRS user, parent of teenager, used suppliers other than BT for fixed line services, Norwich

*'All of these, these are for lonely people, the chat lines and dating services as well and I feel that they know that it is may be lonely people that phone these up and they are certainly making them pay.'*

Non user of PRS, older family, mobile phone owner

The calls were believed to be charged at an inflated price and with the details hidden in the small print. The small print in itself was considered unclear. The calls were also of an indefinite length and thus were more likely to become expensive. Not only was the pence per minute charge considered high but the call length was unknown. Typically, consumers expected these companies to try to make as much money as possible from the call. Some doubted whether the companies paid out any winnings.

*'If you knew what the charges were you would be a lot more aware of who you would and wouldn't call.'*

PRS user, young adult, non BT, London

*'I wouldn't just sit and have a chat with somebody on the phone; somebody I didn't know. You would have to be really desperate wouldn't you? I wouldn't do that even if it was free.'*

PRS user, young family, London

*'As it gets more sleazy it gets more expensive.'*

Non PRS user, older people, mobile phone owner, London

*'I see 08 as respectable and 09 as not. If you have children and see on the phone that they are dialling 09 then you would be aware of it.'*

Non PRS user, older people, mobile phone user, London

## **2.2 *Adult services***

Few parents were overly concerned about adult services. The numbers were not felt to be widely publicised or known. Indeed, people felt children or teenagers would need to seek numbers in magazines. Importantly, those parents concerned about phone bills were already controlling their children's access to the phone.

### **3. Short codes**

There were three short code user types within the mobile phone users sample. First were those that were aware of short codes and who had used them. Generally, they were used for convenience for weather, traffic up dates, etc. They were seen as a useful service and thus people were prepared to pay for them. However, they were unaware of exact call costs. But, generally, people were not heavy users and had not noticed any changes in their phone bill.

Second were those that were aware of the existence of short codes but had never used the service. They were aware that some services were available via their mobile but they tended not to be interested in services offered. There was little sense of price but generally consumers felt that it would not be expensive.

Third, there were some consumers who had never heard of short codes or of these services offered on their mobile.

#### 4. Understanding of current structure

In our sample, detailed awareness of the current structure was limited. Generally, the 08 prefix was more familiar. When pushed, consumers were aware that reputable companies such as British Gas, NHS Direct etc used these numbers which gave them a 'safe' feel.

0800 was widely known as a free phone number. 0845 and 0870 were recognised but most people were hazy about the exact costs associated with these particular codes.

The prefix 09 was far less familiar. The 090 /091 content versus non content division was unknown. Furthermore, there was no awareness of 0909 and 09059 content ring fencing.

However, there was an overall sense that 08 was safer and therefore cheaper than 09. 08 was felt to be used by reputable companies. Generally, consumers felt that 08 numbers were widely publicised. Interestingly, having 0800 as a free phone number that enjoys widespread publication, had a positive halo effect on other 08 numbers. In other words, 0800 worked as a 'flagship'. There was no awareness of adult services or chatlines using an 08 prefix. Typically, consumers assumed that call costs to 08 numbers were reasonable or acceptable.

*'0800 numbers are normally for helplines or if you have family problems, for social services and things like that'.*

PRS users, teenager, mobile phone user, York

*'08 numbers are cheaper, because 0800 numbers are free, so numbers that sound like that are going to be expensive, but not that expensive.'*

PRS users, teenager, owned mobile phone and used for PRS calls, York

Conversely, 09 prefix numbers were unknown territory. It was assumed that these numbers would be more expensive. The exception was that children and teenagers were aware of the ringtone prefix number 0906.

*'When it starts with 09 it could be anything! I think with the 09 numbers that I had better watch it here because they are premium rate. I didn't realise until a couple of years ago that that's what they were.'*

PRS user, young family, South

However, when asked to estimate the difference in call costs between 08 and 09 numbers, most people widely over-estimated. Many expected the cut off to be around 50p per minute.

There were some other areas of confusion. A minority were aware of 0898 chatline heritage from salient 1980's TV commercials with a catchy jingle. Another area of confusion was that many assumed that services such as Big Brother and Pop Idol were on 08 numbers. Significantly, not even heavier PRS users had a thorough understanding of the current structure.

*'Because it is 09 straight away I relate it to being £1 to £1.50 per minute.'*

PRS users, teenager, mobile phone user, York

## **5. Response to current structure**

### **5.1 Overall response to current structure**

Overall, the current cost based structure was broadly in line with consumers' expectations. However, there were differing reactions to the individual elements of the current structure. Some expectations were confirmed, some areas surprised consumers and there were some areas of confusion.

### **5.2 Current structure: Expectations confirmed**

When the current structure was revealed, 08 was confirmed as cheaper than 09 and thus consumers felt that this was one area that they knew about, albeit roughly, and thus their expectations were confirmed.

People were also aware that 0800 was a free phone number. Also, 0845 and 0870 were expected to be reasonable if not cheap in price. However, the fact that 0845 was a local rate (no matter where the call was made in the UK) and that 0870 was a national rate was news for most people.

### **5.3 Current structure: Surprises**

The biggest surprise was that the 08/09 split was at 10p per minute. This was much lower than expected and it made 08 seem very cheap and safe as a result. However, it did raise questions about the breadth of range within the 09 band i.e. 11p to £1.50 and potentially higher.

*'I would have thought that a lot of them would be far more than 10p per minute.'*

Non PRS users, young family, mobile phone user, C2D, London

0909 and 09059 ring fencing was also unexpected. Consumers had not anticipated that prefixes would be used to denote specific content.

#### **5.4 Current structure: Areas of confusion**

The 090/091 content versus non content split was poorly understood even when explained. Few could imagine what non-content services might be. One respondent recalled telephoning a computer helpline on an 091 prefix and speaking to someone in Canada.

#### **5.5 Detailed response to current structure**

Once understood, response to the current system was broadly positive. The cost based distinction between 08 and 09 was perceived to be simple and easy to understand. In addition, the attempt to ring fence adult services and chatlines was seen as responsible.

However there were some areas of concern. The split at 10p per minute seemed too low. Furthermore, the wide range of possible prices within 09 was thought to make it hard to judge the cost of the call from the prefix.

*'10p just acts as a warning. With the 09 numbers you know they start at 10p but they could go up to anything. It could be £1 per minute, £1.50 or £2.00'*

Non PRS user, young family, mobile phone user, C2D, South

The complexity of the sub-structures within the 09 number ranges also meant that the ring fencing of adult services and chatlines had no real practical benefit. Indeed, most people felt that they would never be able to remember the specific prefixes.

Typically, the issue of adult services or chatlines using 08 numbers was not a cause for concern for most. The numbers were not thought

to be widely publicised. In addition, apart from 0800, the number prefix was not currently understood or used to aid decision making.

There is however, one caveat. A small number of parents in the sample were concerned about adult services and chatlines. The concern focused more on availability and the publicising of these services rather than the numbers or prefixes themselves. Our sense is that practical ring fencing by prefix is unlikely to help unless the prefixes are widely publicised. However, it would prove useful for consumers in the post hoc examination of bills.

*'Adult services shouldn't be accessible for kids. Who knows what's on the end of the telephone. If they made it so expensive that kids couldn't afford to phone it, that would be a good idea.'*

PRS users, parent of teenager, non BT, York

## **6. Preferences for future structure**

### **6.1 Overall preferences**

In an ideal world, most wanted to see both cost and content used to demarcate services. However, given the limitations of regulation, most were unwilling to lose the cost distinction in favour of a content distinction.

Although knowledge was sketchy, most had assumed that 08 was cheaper than 09. Generally, consumers felt that using a cost distinction as a basis for the structure was simple, intuitive and practically useful. Content distinction was thought to be an attractive idea but confusing and unlikely to aid decision making.

*'If you split it by cost it puts you in a greater position to know what you are ringing, what it's costing you and whether you want to ring it or not.'*

PRS user, young adult, non BT, London

Overall, consumers' preference was to retain the current system of a principally cost based structure with some imperfect ring fencing. The benefit of this was that it retained the overall cost distinction. It also offered some ability for parents to protect against more expensive adult services and chatlines.

### **6.2 Other considerations**

Two additional issues were raised as considerations for the development of the Special Services/PRS structure. They were the total call cost and the cost threshold between 08 and 09.

The total call cost was more of an issue for most than the pence per minute. The popularity of services such as Pop Idol and Big Brother

had effectively created another potential split: short fixed calls versus longer, unlimited duration calls. Consumers were unclear whether this could be incorporated into the structure but there was substantial appetite for clearer details of the total call cost in PRS promotional material.

*'It would be better if they said this call is going to cost you £3. Then if you want to hang up you can. If you know the total call cost then it is your choice to pay it or not.'*

PRS user, young adult, non BT, London

*'I would be thinking how long the call is going to take; the duration of the call. I would prefer the total call cost definitely, because although they might say 10 pence per minute, they might keep you on there for 10 minutes.'*

Non PRS user, young family, mobile phone owner, C2D, London

The cost threshold between 08 and 09 was also raised as an issue. The 10p per minute threshold seemed low not only in the context of the cost of calls to mobiles but in the current upper limit of £1.50, which might be extended to £5. Most consumers were keen to see the 09 code broken up further e.g. above and below 50p per minute.

*'11p to £5 is hell of a range so really you could do 11p to a £1 to give you a bit more of an idea and then £1 to £5.'*

PRS user, young adult, non BT, London

*'I think that with all calls that are over £1 per minute it should be clearly stated.'*

Non PRS, young family, non BT, C2D, London

*'You need to know how much it is going to cost you.'*

PRS user, older people, mobile phone user, York

However, sub-divisions within 09 were considered confusing. For example using 090 to indicate under 50p and 092 to indicate over 50p was perceived to be too complex. Interestingly, opinion was divided about changing the threshold. Increasing the threshold would reduce the range within 09 but it would diminish the 'safety' of 08.

## **APPENDIX: Fieldwork**

**16 DEPTH INTERVIEWS, EACH TO LAST 1 HOUR**

**4 FAMILY DEPTHS (INTERVIEW PARENT AND TEENAGER SEPARATELY, TOTAL 8 INTERVIEWS)**

**SPREAD OF MALE/FEMALE ACROSS THE DEPTHS**

### **USERS OF PRS**

RESPONDENTS WHO RING PREMIUM RATE SERVICES (09 NUMBERS THAT COST MORE THAN 10P PER MINUTE TO RING (EG COMPETITION LINES, VOTING LINES, CHATLINES, MOBILE PHONE RING TONES/SCREENSAVERS, BETTING SERVICES, HOROSCOPES, STARSIGNS)

### **SUPPLIERS OTHER THAN BT**

CABLE USERS (EITHER NTL OR TELEWEST) OR COMPANIES WHO PROVIDE PHONE TIME EVEN THOUGH THE LINE IS PROVIDED BY BT (E.G. ONE TEL, PLANT TALK, BRITISH GAS)

REMAINING RESPONDENTS CAN USE ANY SUPPLIER BUT PLEASE INCLUDE A GOOD REPRESENTATION OF BT USERS

### **TEENAGERS**

UNDER 18 LIVING AT HOME, NOT RESPONSIBLE FOR THE TELEPHONE BILL

### **YOUNG ADULTS**

18-25 LIVING INDEPENDENTLY OR AT HOME, RESPONSIBLE FOR (OR A SHARE OF) THE TELEPHONE BILL

### **YOUNG FAMILIES**

CHILDREN UNDER 11, AGED 25-40

### **OLDER FAMILIES**

TEENAGE CHILDREN, AGED 35-60

### **OLDER PEOPLE**

AGED 60+, EMPTY NESTERS, RETIRED

## **APPENDIX: Stimulus materials**

### **Number pre-fixes**

08  
09  
0800  
0845  
0870  
090  
091  
0909  
0959

### **Content genres**

Competition lines e.g. TV phone in's  
Voting lines  
Chatlines  
Mobile phone ring tones/screensavers  
Betting services e.g. scratchcards  
Horoscopes/Starsigns  
Adult services  
Tarot readings, psychics, etc  
Information, brochures, etc  
Dating services

### **Brief outline of current system**

Currently, numbers are divided by cost per minute.

All numbers starting '08' cost less than 10p per minute.

All numbers starting '09' cost over 10p per minute.

Within '08' numbers, there are some longer codes. These are:

- 0800: freephone
- 0845: local rate/up to 5p per minute
- 0870: national rate/up to 10p per minute

Within '09', numbers are divided into two groups:

- 090: these are numbers which provide a specific service (e.g. competition, voting, horoscope)
- 091: these are numbers which connect to another service e.g. direct dialling to international numbers

Within 090, there are two specific groups:

- 0909: adult services (costing more than 10p per minute)
- 09059: live chatline services (costing more than 10p per minute)

## **Potential structure options**

### **Option 1: Cost based structure only**

- Numbers would be divided by cost per minute only
- Any service costing under 10p per minute would be on an 08 number, regardless of the kind of service offered
- Any service costing over 10p per minute would be on an 09 number, regardless of the kind of service offered

### **Option 2: Content based structure only**

- Numbers would be divided by content/type of service provided only
- Any number offering live chat or adult services would be on a specific prefix, regardless of cost
- All other types of services could be on any other prefix, regardless of cost

### **Option 3: Cost based structure with some control over specific content**

- Numbers would be divided by cost per minute
- Within the more expensive category, adult and live chat services would only be able to use specific prefixes

## APPENDIX: Topic guides

### 1761 Ofcom PRS Research Topic Guide: Non-PRS users

<b>Introduction</b>	Name, family/work situation, hobbies and interests
<b>Warm up and PRS behaviour</b>  Stimulus: <ul style="list-style-type: none"> <li>• Example numbers</li> <li>• Ads/scratchcards/etc</li> </ul>	Explore perceptions of telephone call costs generally What types of calls do they generally make <ul style="list-style-type: none"> <li>• Local</li> <li>• National</li> <li>• International</li> <li>• To mobiles</li> <li>• Special rate calls</li> <li>• Premium rate calls</li> </ul> Explore decision making e.g. making an unusual call (international, to a competition line), kids asking to use phone Using stimulus, explore limits/barriers <ul style="list-style-type: none"> <li>• What kinds of PRS calls would they be happy to make</li> <li>• Any kinds of PRS calls they would never make and why</li> <li>• What would they need to know before they/their kids made the call</li> <li>• Probe for importance of information about cost/duration – would they actively seek this?</li> <li>• Would lack of cost information prevent them calling</li> <li>• Probe for role of             <ul style="list-style-type: none"> <li>• Cost</li> <li>• Content</li> <li>• Context</li> <li>• Number itself</li> </ul> </li> <li>• What is need to know</li> <li>• What is nice to know</li> <li>• Establish most important factor</li> </ul>
<b>Understanding of current structure (unprompted)</b>  Stimulus: <ul style="list-style-type: none"> <li>• Number pre-fixes</li> <li>• Content genres</li> </ul>	<i>Researcher to ask respondents to discuss different types of phone calls</i> <i>Use number pre-fixes and content genres as stimulus (rotate order)</i>  For number pre-fixes: <ul style="list-style-type: none"> <li>• Immediate response/assumptions</li> <li>• Comprehension</li> <li>• For each, expectations of             <ul style="list-style-type: none"> <li>• Services provided (content)</li> <li>• Cost</li> </ul> </li> <li>• Ask respondent to group/order from most to least expensive per minute</li> </ul>

<p><b>Understanding of current structure</b></p> <p>Stimulus:</p> <ul style="list-style-type: none"> <li>• Number pre-fixes</li> <li>• Content genres</li> </ul>	<ul style="list-style-type: none"> <li>• Explore changing expectations of costs if calls made from <ul style="list-style-type: none"> <li>• BT home phone</li> <li>• Cable home phone</li> <li>• Indirect supplier home phone</li> <li>• Mobile phone</li> </ul> </li> <li>• Probe for understanding of 08/09 cost split</li> <li>• Probe for understanding of 0909/0959 ring-fencing</li> <li>• Probe for understanding of short codes <ul style="list-style-type: none"> <li>• From mobiles</li> <li>• From home phones</li> </ul> </li> </ul> <p>For content genres:</p> <ul style="list-style-type: none"> <li>• Immediate response/assumptions</li> <li>• Comprehension</li> <li>• For each, expectations of <ul style="list-style-type: none"> <li>• Cost</li> <li>• Likely pre-fix</li> </ul> </li> <li>• Ask respondent to group/order from most to least expensive per minute</li> <li>• Explore changing expectations of costs if calls made from <ul style="list-style-type: none"> <li>• BT home phone</li> <li>• Cable home phone</li> <li>• Indirect supplier home phone</li> <li>• Mobile phone</li> </ul> </li> <li>• Probe for understanding of adult services/chatlines ring-fencing</li> </ul> <p>Using both number pre-fixes and content genres, ask respondent to</p> <ul style="list-style-type: none"> <li>• Match up genres and pre-fixes</li> <li>• Order in terms of cost</li> </ul>
<p><b>Awareness of short codes</b></p>	<p><b>Short codes = calls to information services from mobiles e.g. weather, sports report</b></p> <p>Explore awareness of short codes</p> <ul style="list-style-type: none"> <li>▪ Ever dialled short codes from mobile e.g. 2222</li> <li>▪ Awareness of services available</li> <li>▪ Expectations/awareness of costs for short code calls</li> </ul> <p>Does/would cost prevent calling</p>

<p><b>Response to current system</b></p> <p>Stimulus:</p> <ul style="list-style-type: none"> <li>Brief outline of current system</li> </ul>	<p>Researcher to reveal current system and explore response</p> <ul style="list-style-type: none"> <li>Spontaneous reactions</li> <li>Any surprises</li> <li>What was previously known</li> <li>What was previously unknown</li> <li>Likes/dislikes</li> <li>Benefits to current system (cost based with some ringfencing)</li> <li>Disadvantages to current system</li> </ul> <p>Probe response to:</p> <ul style="list-style-type: none"> <li>Split based on cost per minute</li> <li>Ringfencing of adult services</li> <li>Ringfencing of chatlines</li> <li>Indication of content by 090 and non-content by 091</li> <li>Comprehension and expectations of non-content services</li> </ul>
<p><b>Future preferences</b></p> <p>Stimulus:</p> <ul style="list-style-type: none"> <li>Options for structure of 08/09 services</li> </ul>	<p>Researcher to outline options for structure of 08 and 09 services</p> <p>Probe response to each</p> <ul style="list-style-type: none"> <li>Cost based structure only</li> <li>Content based structure only</li> <li>Cost based structure with some content ringfencing</li> </ul> <p>Explore</p> <ul style="list-style-type: none"> <li>Preferences</li> <li>Advantages and disadvantages of each</li> </ul> <p>Establish overall preference between cost and content structuring</p>
<p><b>Summary</b></p>	<p>What would they like to see in the future</p> <p>What are the biggest gaps in knowledge at the moment</p> <p>Main piece of advice for Oftel</p>

**1761 Oftel PRS Research  
Topic Guide: PRS users**

<b>Introduction</b>	Name, family/work situation, hobbies and interests
<p><b>Warm up: Current PRS behaviour</b></p> <p>Stimulus:</p> <ul style="list-style-type: none"> <li>• Example numbers</li> <li>• Ads/scratchcards/etc</li> </ul>	<p>Explore perceptions of telephone call costs generally</p> <p>What types of calls do they generally make</p> <ul style="list-style-type: none"> <li>• Local</li> <li>• National</li> <li>• International</li> <li>• To mobiles</li> <li>• Special rate calls</li> <li>• Premium rate calls</li> </ul> <p>Explore decision making for PRS calls</p> <ul style="list-style-type: none"> <li>• Thinking about last few PRS calls made... <ul style="list-style-type: none"> <li>• What kind of services</li> <li>• Where made call from (home phone or mobile)</li> <li>• Probe for recall of number (especially code/first few digits) – how important is the number itself?</li> <li>• How did they hear about them (TV/magazine/scratchcard/etc)</li> <li>• What made them want to ring</li> <li>• What information was given about the call</li> <li>• Probe for importance of information about cost/duration – do they actively seek this?</li> <li>• Would lack of cost information have prevented them calling</li> </ul> </li> </ul> <p>Using stimulus, explore limits/barriers</p> <ul style="list-style-type: none"> <li>• What kinds of PRS calls are they happy to make</li> <li>• Any kinds of PRS calls they would never make and why</li> <li>• What do they need to know before they/their kids make the call</li> <li>• Probe for role of <ul style="list-style-type: none"> <li>• Cost</li> <li>• Content</li> <li>• Context</li> <li>• Number itself</li> </ul> </li> <li>• What is need to know</li> <li>• What is nice to know</li> <li>• Establish most important factor</li> </ul> <p>Awareness of final cost</p> <ul style="list-style-type: none"> <li>• Do they check/notice on bill</li> <li>• Any surprises</li> <li>• If so, what and why</li> </ul>

<p><b>Understanding of current structure (unprompted)</b></p> <p>Stimulus:</p> <ul style="list-style-type: none"> <li>• Number pre-fixes</li> <li>• Content genres</li> </ul>	<p><i>Researcher to ask respondents to discuss different types of phone calls</i></p> <p><i>Use number pre-fixes and content genres as stimulus (rotate order)</i></p> <p>For number pre-fixes:</p> <ul style="list-style-type: none"> <li>• Immediate response/assumptions</li> <li>• Comprehension</li> <li>• For each, expectations of <ul style="list-style-type: none"> <li>• Services provided (content)</li> <li>• Cost</li> </ul> </li> <li>• Ask respondent to group/order from most to least expensive per minute</li> <li>• Explore changing expectations of costs if calls made from <ul style="list-style-type: none"> <li>• BT home phone</li> <li>• Cable home phone</li> <li>• Indirect supplier home phone</li> <li>• Mobile phone</li> </ul> </li> <li>• Probe for understanding of 08/09 cost split</li> <li>• Probe for understanding of 0909/0959 ring-fencing</li> <li>• Probe for understanding of short codes <ul style="list-style-type: none"> <li>• From mobiles</li> <li>• From home phones</li> </ul> </li> </ul> <p>For content genres:</p> <ul style="list-style-type: none"> <li>• Immediate response/assumptions</li> <li>• Comprehension</li> <li>• For each, expectations of <ul style="list-style-type: none"> <li>• Cost</li> <li>• Likely pre-fix</li> </ul> </li> <li>• Ask respondent to group/order from most to least expensive per minute</li> <li>• Explore changing expectations of costs if calls made from <ul style="list-style-type: none"> <li>• BT home phone</li> <li>• Cable home phone</li> <li>• Indirect supplier home phone</li> </ul> </li> <li>• Mobile phone</li> <li>• Probe for understanding of adult services/chatlines ring-fencing</li> </ul> <p>Using both number pre-fixes and content genres, ask respondent to</p> <ul style="list-style-type: none"> <li>• Match up genres and pre-fixes</li> <li>• Order in terms of cost</li> </ul>
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<p><b>Awareness of short codes</b></p>	<p><b>Short codes = calls to information services from mobiles e.g. weather, sports report</b></p> <p>Explore awareness of short codes</p> <ul style="list-style-type: none"> <li>▪ Ever dialled short codes from mobile e.g. 2222</li> <li>▪ Awareness of services available</li> <li>▪ Expectations/awareness of costs for short code calls</li> <li>▪ Does/would cost prevent calling</li> </ul>
<p><b>Response to current system</b></p> <p>Stimulus:</p> <ul style="list-style-type: none"> <li>• Brief outline of current system</li> </ul>	<p>Researcher to reveal current system and explore response</p> <ul style="list-style-type: none"> <li>• Spontaneous reactions</li> <li>• Any surprises</li> <li>• What was previously known</li> <li>• What was previously unknown</li> <li>• Likes/dislikes</li> <li>• Benefits to current system (cost based with some ringfencing)</li> <li>• Disadvantages to current system</li> </ul> <p>Probe response to:</p> <ul style="list-style-type: none"> <li>• Split based on cost per minute</li> <li>• Ringfencing of adult services</li> <li>• Ringfencing of chatlines</li> <li>• Indication of content by 090 and non-content by 091</li> <li>• Comprehension and expectations of non-content services</li> </ul>
<p><b>Future preferences</b></p> <p>Stimulus:</p> <ul style="list-style-type: none"> <li>• Options for structure of 08/09 services</li> </ul>	<p>Researcher to outline options for structure of 08 and 09 services</p> <p>Probe response to each</p> <ul style="list-style-type: none"> <li>• Cost based structure only</li> <li>• Content based structure only</li> <li>• Cost based structure with some content ringfencing</li> </ul> <p>Explore</p> <ul style="list-style-type: none"> <li>• Preferences</li> <li>• Advantages and disadvantages of each</li> </ul> <p>Establish overall preference between cost and content structuring</p>
<p><b>Summary</b></p>	<p>What would they like to see in the future</p> <p>What are the biggest gaps in knowledge at the moment</p> <p>Main piece of advice for Oftel</p>