

Consumers' use of mobile telephony

Q8 February 2002

Chapter one

Introduction

1.1 This report provides an overview of the key findings of consumer behaviour in the mobile market, taken from the eighth wave of Oftel's quarterly residential consumer survey conducted in February 2002. Results from previous waves are used for comparison purposes and referred to throughout this report.

1.2 The report provides trend information to which subsequent quarterly results can be compared, and examines differences between consumers with different social characteristics.

1.3 The survey was conducted for Oftel by MORI, amongst 2138 UK adults¹ during February 2002, of whom 73% claimed to personally own or use a mobile phone. A further 7% who do not personally use a mobile claim to live in a home with at least one mobile. The report has been prepared by Oftel², based on the results provided by MORI.

1.4 This report covers:

- UK penetration of mobile phones, networks, packages and services used
- Which consumers are using mobiles
- Reasons for choice of mobile network and switching behaviour
- Mobile spend and calling patterns
- Interest in GPRS mobile services
- Impact of mobiles on fixed phone usage
- Calls to mobiles

1.5 A copy of the questions is attached in appendix 1. Topics to be researched each quarter are requested by Oftel project teams and results feed into current investigations and reviews in individual market areas.

¹ This survey was conducted amongst a representative sample of UK adults, reflecting the UK profile of sex, age, social grade, region and employment status. Data has also been weighted to ensure the sample is representative of the UK adult population. All data shown is weighted data. Unweighted base sizes are shown on charts and tables to show the number of people who were asked the question. Because the survey was conducted amongst a sample of adults, rather than the whole population, the data may be subject to a small margin of error. The error margin for this survey of 1560 consumers with mobiles is about 2-3%, 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 MORI or any decisions taken by any person in reliance on the report.

Chapter 2 - Summary findings

Headline figures

- 73% UK adults own/use a mobile phone
- 67% mobile customers use a pay-as-you-go phone
- 27% mobile customers subscribe to a monthly contract
- £20 was the average monthly mobile phone bill
- 94% mobile customers were satisfied with their overall mobile service

No growth in mobile ownership since November '01 and early indications of migration from mobile-only to fixed phone ownership

- 2.1 Recent quarters' results have reported that growth in mobile penetration has been slowing, and for the first time we report no growth during the last quarter. During February, 73% of UK consumers (aged 15+) claimed to have a mobile. Although this is lower than reported in November (75%) this change is within the survey's margin of error and hence should not be assumed to represent a drop in mobile penetration.
- 2.2 There is tentative evidence to suggest that some mobile-only customers are getting fixed phones, although based on only one quarter's data it is too early to confirm this. Preliminary findings however, show a statistically significant drop in the proportion of mobile-only homes, and accompanying rise in the proportion of homes with a fixed phone, particularly amongst lower income and DE socio-economic groups, who were traditionally more likely to be mobile-only customers. Coupled with this, there is evidence of a fall in the average monthly mobile spend amongst mobile-only customers which would be consistent with a move to fixed ownership.

Price remains the key driver behind choice of network, and reception and coverage whilst taken for granted are considered a fundamental part of the service

- 2.3 Almost three-quarter (73%) of mobile customers chose their network themselves, whilst the remainder were given their phone (as a gift, or by work) and had the network decided for them. Phones given as gifts were predominantly pre-pay, and significantly more likely amongst the over 55s, and these customers tended to be very light users.
- 2.4 Price was the key driver of network choice, which is consistent with previous Ofcom research findings and which also reported that price was the aspect of service where customers felt there was greatest difference between the networks.
- 2.5 Reception is a fundamental part of mobile service, but appeared to be taken for granted by the majority of customers, again consistent with previous findings when few consumers across any of the networks reported significant coverage and reception difficulties.

Evidence of informed consumer behaviour and shopping around for the best deal

- 2.6 When prompted, a third (34%) of mobile customers (who had chosen themselves which network to use) said they had taken into account when choosing their mobile which networks they would be calling. Heavy mobile spenders in particular, and those who made a higher than average proportion of on-net calls, said they had considered this.
- 2.7 In addition, just over a fifth (21%) of mobile customers had switched network – mainly for cost reasons, and at least a fifth of consumers with both a fixed and mobile phone were consciously choosing one over the other for different types of calls in order to get the cheapest deal.

Satisfaction with mobile service remains high overall, although satisfaction with off-net costs is considerably lower

- 2.8 Overall satisfaction with mobile services remains stable with 94%. Satisfaction with value for money is slightly lower at 86%, and whilst satisfaction with on-net call costs is broadly similar at 84%, satisfaction with off-net costs is significantly lower at 50% - these account for about a quarter of the average customer's mobile calls.

Still early days for use of and interest in GPRS

- 2.9 3% of mobile customers claimed to have a GPRS phone and less than half of these actually used the GPRS service. The vast majority (83%) of mobile customers were not interested in getting a GPRS phone, but as with any service in its infancy, this may well change as awareness, availability and functionality of the service improves. Potential early adopters who expressed greatest interest included men, younger customers, heavy mobile spenders and those without a fixed phone at home, an indication perhaps that for these consumers at least, GPRS might provide an attractive means of Internet access.

Still confusion and concern over calls to mobiles

- 2.10 Despite mobile ownership by the majority of UK adults, and hence increasing number of calls to mobiles, there is still confusion and concern over identification of mobile numbers, and cost of calls to mobiles. Estimates suggested that on average a fifth of calls from fixed phones were to mobiles, but only half (53%) of fixed phone customers said they usually knew whether or not they were calling a mobile number. There has been little change in this level despite the national code and number campaign when all mobile codes were changed to 077, 078 or 079. Although only a fifth claimed to know roughly how much it cost to call a mobile, less than half (46%) were satisfied with these costs, which is considerably lower than satisfaction with overall fixed phone value for money (78%).
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Main findings

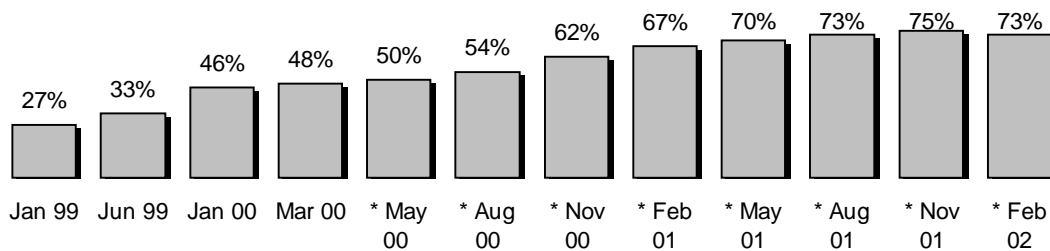
Chapter three

Mobile phone usage

- 3.1 By February 2002, 73% of UK adults claimed to own or use a mobile phone. The proportion of consumers using mobile phones has slowed in recent months, to the extent that since November (for the first time) there has been no growth in take-up (figure 3a). Although penetration appears to have fallen slightly, this is within error margins of the sample³. In addition, with only one quarter's data it is too soon to confirm or predict whether mobile growth has stopped or indeed begun to decline.

Figure 3a *Mobile growth - % UK* adults who have a mobile phone*
Base: UK* adults, Feb '02 (Base: 2138)

* Note - Figures up to March 2000 are based on GB population and are taken from MORI's Technology Tracker. Figures from May 2000 onwards include Northern Ireland and therefore represent the UK adult population.



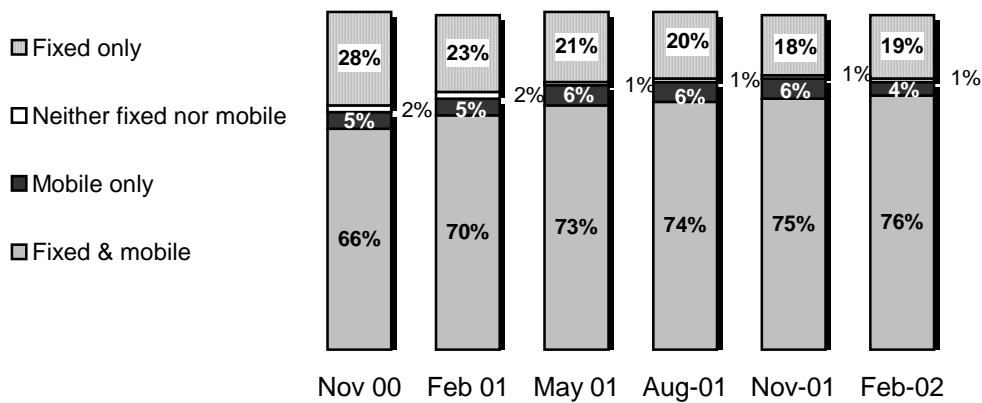
- 3.2 That said however, mobile penetration appears to have fallen most notably amongst DE socio-economic and lower income groups (figure 3c). Fixed phone penetration experienced a small but statistically significant rise (of 2%) this quarter, and penetration rose most notably amongst DE and lower income groups. In line with this rise, the proportion of mobile-only homes fell 2% (figure 3b). This perhaps indicates that some consumers have replaced their mobile with a fixed phone. Overall, 80% of UK homes claimed to have at least one mobile during February.
- 3.3 Previous Ofcom research reported that mobile-only customers spent more than average on their mobile which is unsurprising given that it is their main method of

³ It should be noted that MORI under-surveyed AB socio-economic and higher income groups (traditionally more likely to have mobiles) and over-surveyed DE socio-economic and lower income groups during February (these groups are traditionally less likely to have mobiles), and to adjust for this, heavier weighting was required than normal. This may have contributed to a small impact to the apparent fall in mobile penetration.

telephony. Whilst one the main reasons for having a mobile instead of the fixed phone was convenience and the ability to control costs via prepay, these consumers may have decided that in the longer term it would be more cost-effective to have a fixed phone.

- 3.4 Oftel will continue to track and further examine this as it may well be the case that mobile only homes are changing to fixed phones. However, based on only one quarter's data it is too early to draw any conclusions.

Figure 3b Penetration of mobile telephony in UK homes
Base: UK homes, Feb '02 (Base: 2138, 1% don't knows have been excluded)



Note – rounding of data resulted in occasional months showing totals of more or less than 100%

Figure 3c % UK adults with mobiles
Base: UK residential consumers aged 15+
Feb '02 (Base: 2138)

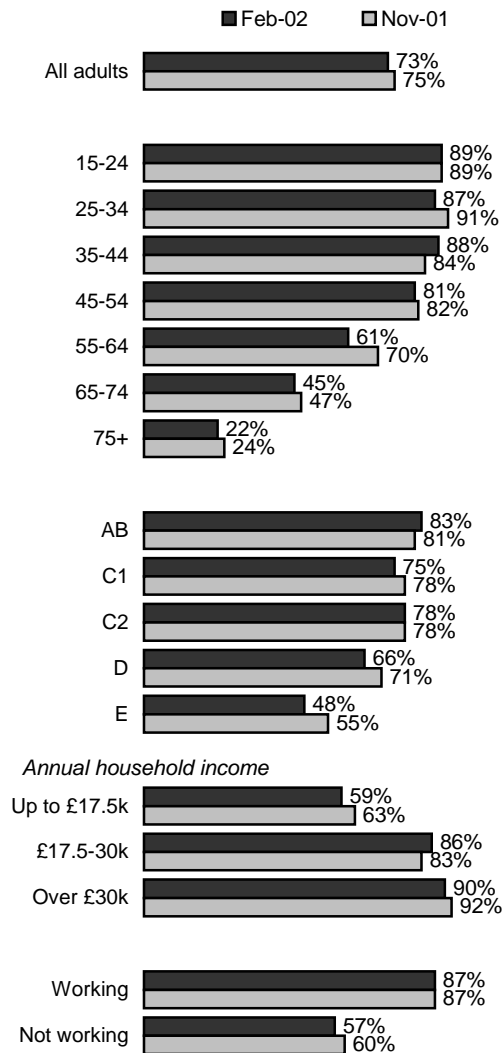
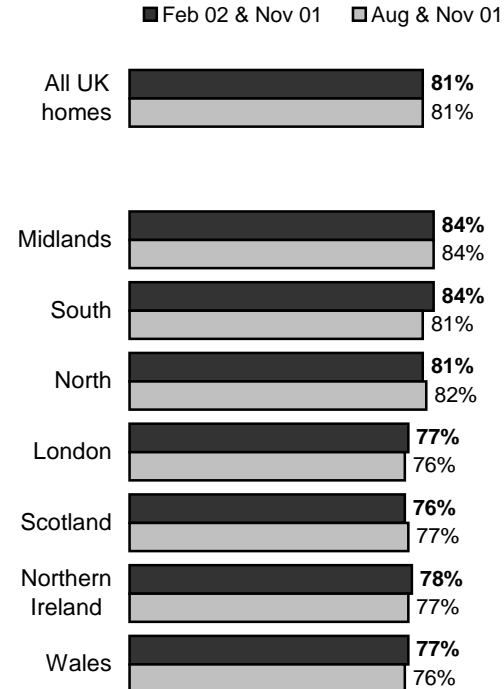


Figure 3d % UK homes with at least one mobile
Base: UK homes*



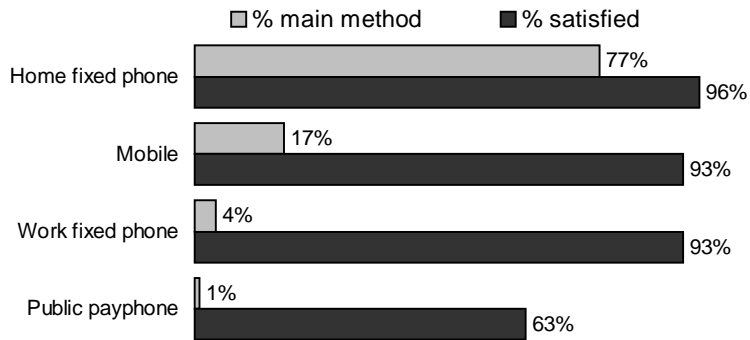
* Combined quarterly data is shown for regions to ensure more robust base sizes of at least 200 in each area

Mobile as main method of calling

- 3.5 Despite the apparent drop in the proportion of mobile-only homes, there has been no change in the proportion of consumers who claim to use mobiles as their main method of telephony, at 17%. Similarly there has been no change in the proportion using the other methods, nor in satisfaction with these methods.
- 3.6 Overall, 95% of adults were satisfied with their main method of telephony. 5% were not satisfied with their main method of telephony – equivalent to just over 2 million adults. The majority of these used a fixed phone at home as their main method (c.1.4 million adults). Just over 1% were dissatisfied with mobile as their main method (equivalent to just over half a million adults), and 0.5% were

dissatisfied with having to use a payphone as their main method (equivalent to c.200,000).

Figure 3g % UK consumers using and satisfied with their main method of telephony
Base: UK residential consumers aged 15+, Feb '02 (Base: 2138)



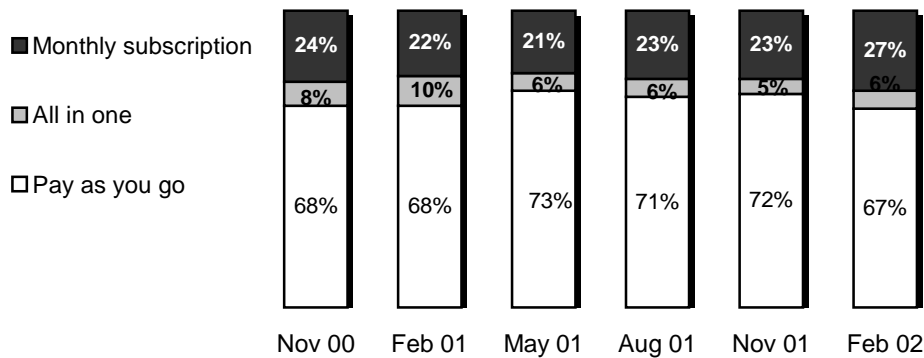
Chapter four

Consumers' use of mobile packages and suppliers

Packages used

- 4.1 Pre-paid packages remain the most popular package, accounting for two-thirds mobiles used by adults. However, consistent with the apparent fall in mobile ownership amongst lower income groups (amongst whom pre-pay phones were most popular), prepay usage experienced a drop during the last quarter, shown in figure 4a. The subsequent rise in the proportion of mobile customers using subscription packages indicates further that the apparent drop in ownership has been primarily driven by lower income and prepay users.
- 4.2 The recent reduction in handset subsidies by mobile operators has meant an increase in price for those wishing to buy a prepay package. Whilst this in itself should have little impact on existing customers (apart from those requiring a replacement handset) it may partly contribute to the slower mobile take-up in recent months, particularly amongst lower income groups.

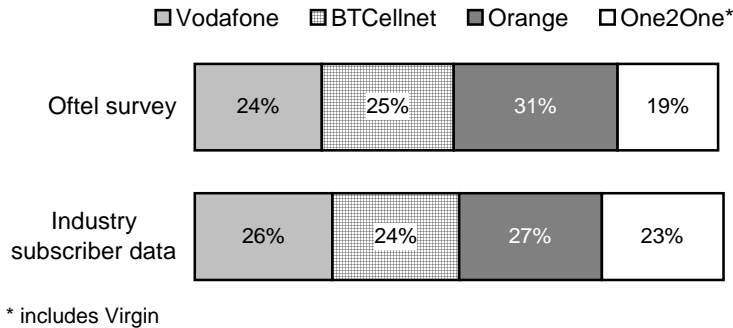
Figure 4a Profile of mobile package usage
Base: UK mobile customers aged 15+, Feb '02 (Base: 1560, 4% 'don't know/other' have been excluded)



Suppliers used

- 4.3 Figure 4b shows a comparison between Of tel's survey and published sources of mobile market share information (in terms of numbers of subscribers using each of the four networks). The results indicate that the survey remains broadly reflective of the current mobile market in terms of the proportion of customers using each network. It should be noted that industry figures include business subscribers.

Figure 4b % mobile users using each network
 Base: UK mobile customers aged 15+, Feb '02 (Base: 1560, 3% 'don't know/other' have been excluded) Industry data: Fintec Mobile Communications, Jan '02



NB rounding of data may result in totals of 99% or 101%

Reasons for choice of mobile network

- 4.4 Almost three-quarters (73%) of mobile customers said they decided themselves which mobile network to use. The majority of remainder had the choice made for them either by their work (4%) or the person who gave them their mobile (17%), and a further 6% had it decided by another means or weren't sure.
- 4.5 The 17% who received their mobile as a gift were significantly more likely than average to be over the age of 55. They tended to be very light users (two-thirds spent less than £10 per month on their mobile) and the majority (86%) had been given prepay packages.
- 4.6 Customers who made the decision themselves were asked why they had chosen that particular network. Cost was the main driver of network choice, mentioned by 59% of customers, compared with coverage and reception which were mentioned by 21% of customers as reasons why they chose their particular network. This is consistent with findings from previous OfTel surveys. Other reasons are shown in figure 4c.
- 4.7 Almost 1 in 5 (18%) spontaneously mentioned the attraction of cheaper calls to mobiles on the same network, having thought about who they would be calling before making their choice. When later prompted, a third⁴ (34%) of mobile customers who had personally decided which network to use, said they had taken into account which networks they would be calling when making their choice. This was significantly higher amongst younger customers than older – 43% of those under the age of 34 had considered which networks they would be calling compared with 18% of those over the age of 55. Similarly it was higher amongst mobile-only customers (40%) and heavier mobile spenders – 41% of those

⁴ This is higher than reported in February 2001 partly because it is now asked only to mobile customers who chose their network themselves.

spending more than £30 per month considered the benefits of on-net calling, compared with 27% of those spending less than £10 per month.

- 4.8 This is encouraging as it indicates that heavier spenders who potentially have the greatest savings to gain from being on the cheapest network for their needs (or equally most to lose from not being on the cheapest network for their needs) are more likely to consider the relevant factors eg who they will be calling, when making their choice. However, there is still scope for improvement as the remaining 3 in 5 heavier spenders did not consider this.
- 4.9 Again when prompted, 15% said they had found out how much it would cost others to call them on their mobile before making their choice, and 9% said this cost had been a significant factor in their choice of one network over another. There has been little change in these levels since February 2001, indicating that for the majority of mobile customers, cost of calls to mobiles is not a significant factor in their choice of network.
- 4.10 Customers who did not personally decide which mobile network to use were asked why the person who had given them their mobile had chosen that particular network. As would be expected a significant proportion did not know, and results should be treated with caution as they are commenting on behalf of a third party. However, broadly similar results indicate that cost was again the key driver of the decision, and that the benefit of on-net calls was also important to a significant minority.

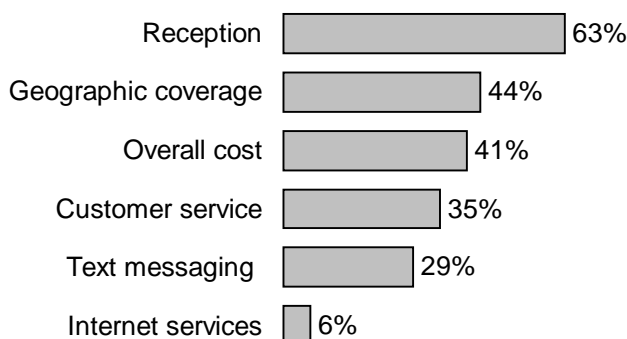
*Figure 4c Reasons for choice of mobile network (unprompted, 2% mention and above)
Base: UK mobile customers aged 15+, Feb '02*

	Customers who chose their network (Base: 1061)	Customers who had their network chosen for them (Base: 394)
Cost (any mention)	59%	31%
Cheaper calls	26%	14%
Best value for my needs	15%	6%
Special offer	12%	7%
Cheaper on-net calls	11%	4%
Same network as people I call	8%	10%
More free minutes	7%	-
Cheaper line rental / subscription	6%	-
Cheaper for others to call me	3%	2%
Free / cheap text messaging	3%	-
Coverage / service (any mention)	21%	6%
Best reception for my needs	10%	3%
Best coverage for my needs	10%	2%
Best service	7%	2%
Recommended	10%	8%
Other reasons	17%	15%
Don't know	6%	39%

Relative importance of different factors in choice of mobile network

- 4.11 Although cost was the most popular reason for choice of network, when prompted about the relative importance of different factors, reception emerged as the most important and along with coverage was considered more important than cost (figure 4d).
- 4.12 There are two factors that are likely to have contributed to this apparent contradiction (i) some element of post-rationalisation – consumers often mention cost, in particular ‘best value’ as the main reason for their choices when in some instances they haven’t really attempted to compare with other prices. The reason for this is that often after the event they want to convince themselves they have got the best or cheapest deal for their needs and in doing so mitigate themselves from not having ‘shopped around’ as thoroughly as they might.
- 4.13 More importantly however, (ii) reception is taken for granted by most consumers as being ‘important’, as there is little point in having a very cheap package if the phone doesn’t fulfil its intended purpose ie sufficiently good reception to make and receive calls. Although reception doesn’t drive choice, it is an important factor to the extent that if it was poor consumers would be unlikely to use that particular network. Not only is it taken for granted that reception is important when choosing a mobile, previous Ofcom research found few differences between networks in reported problems with reception, indicating that consumers do not distinguish between networks to a large extent on this factor. This is largely consistent with the industry mobile comparable performance indicator results. Just over 2 in 5 (43%) on the other hand, felt that the networks differed ‘a lot’ on price, and hence this is a more important driver of network choice.
- 4.14 Availability and range of Internet services was not considered important by the vast majority of mobile customers, which is consistent with the relatively limited use of these services as yet in comparison to more established services such as text messaging. Internet services may become a more important feature in network choice in future as availability, take-up, and the range of service continues to develop.
- 4.15 Text messaging was also less important compared with costs and coverage, although there was a marked age difference – 44% of customers under the age of 34 considered it very important, compared with 11% of those over the age of 55.
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Figure 4d % mobile customers considering factor 'very important' in choice of network
Base: UK mobile customers aged 15+, Feb '02 (Base: 1560)



Switching behaviour

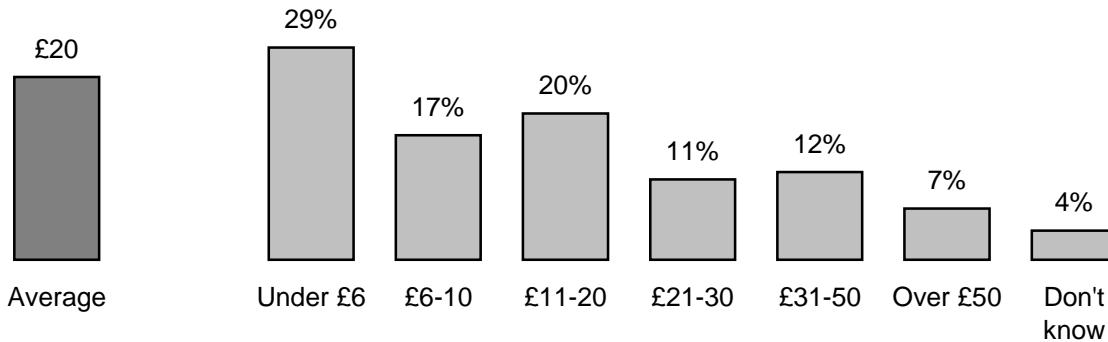
- 4.16 Just over a fifth (21%) of mobile customers claimed to have changed their mobile phone network or service provider – 9% within the last 12 months, and 13% over a year ago. This is slightly lower than reported in August 2001 (24%), which might reflect the change in handset subsidies (which were reduced and hence handset prices have been rising) since May 2001. Younger customers, heavy mobile spenders and those on monthly subscription packages were more likely than average to have changed network.
- 4.17 Consistent with reasons given above for choice of network, cost was quoted as the main reason for switching network, although followed closely by coverage and reception.
- 4.18 These findings, in line with previous OfTel surveys, indicate that price and to a lesser extent reception and coverage are the key drivers of mobile choice. As such, comparable information for consumers should focus on these factors.
- 4.19 Previous OfTel research found that the majority of mobile customers were satisfied on the whole with the information available to assist them choose their mobile, and indeed much information is already available on both price and coverage. However, OfTel's August 2001 survey reported that satisfaction with information on *specific* aspects of mobile choices (such as price of different types of calls, or coverage and reception comparisons) is considerably lower – at best a third of customers were satisfied with the information available. However, lack of satisfaction does not necessarily indicate a demand for this information, and further work would be required to identify the potential size of any demand, and characteristics of customers who might want and benefit from this information.

Chapter five

Mobile spend and calling patterns

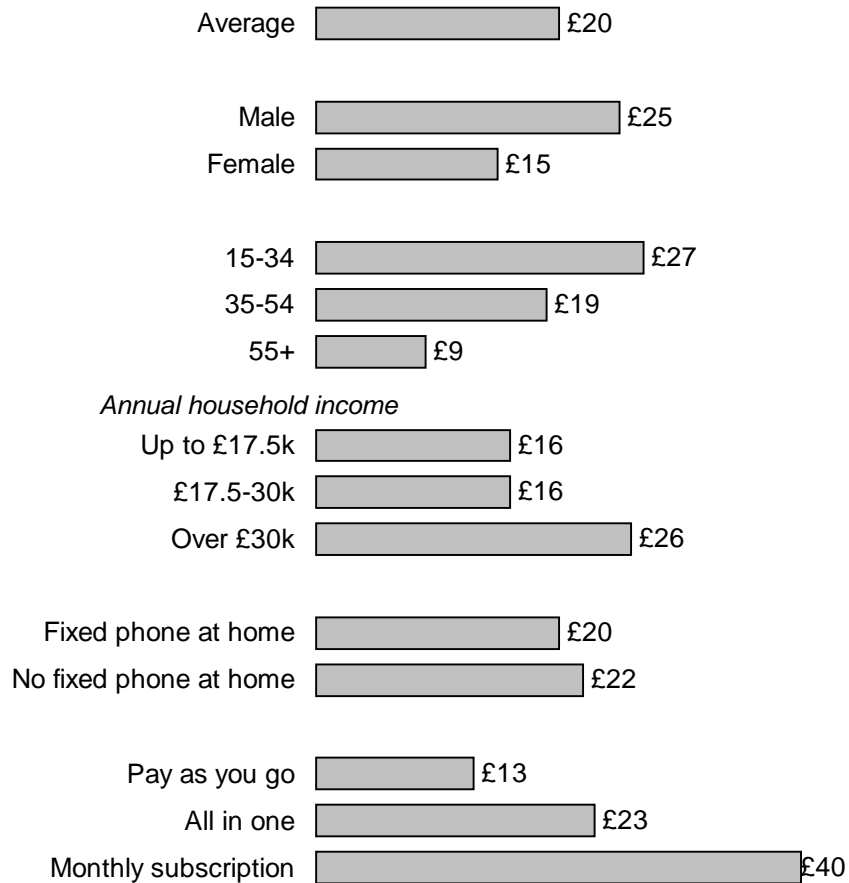
- 5.1 On average mobile customers are spending £20 per month (figure 5a). There has been little change in this level since last quarter (£19), and as reported previously, the average spend is inflated by about a fifth of customers who spend more than £30 per month. Indeed, two-thirds of customers spend less than £20 per month, and almost half (46%) spend less than £10.

Figure 5a *Average monthly mobile spend*
Base: UK mobile users, Feb '02 (Base: 1560)



- 5.2 Compared with previous quarters' results, homes without a fixed phone are spending significantly less on their mobile this quarter. This seems consistent with the drop in mobile-only homes and subsequent rise in fixed phone penetration. This findings may be an indication that the previously heavy spending mobile-only homes have moved to fixed phone, leaving the lower spending mobile-only homes, and hence lowering the average monthly spend amongst this group. It is not possible to confirm this theory on just one quarter's data, but we shall continue to monitor and investigate this.
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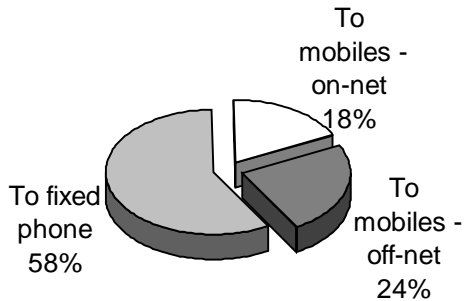
Figure 5b *Average monthly mobile spend*
 Base: UK mobile users, Feb '02 (Base: 1560, 4% 'don't knows' have been excluded)



Mobile calling patterns

- 5.3 Mobile customers were asked about the type of calls they made from their mobile phone. On average, just over 2 in every 5 voice calls (42%) were to mobiles, hence the remaining 58% were to fixed phones. Of the calls made to mobiles, 42% were to mobiles on the same network and 58% were to mobiles on different networks (this equates to 18% on-net and 24% off-net as a proportion of *all* calls made from mobiles). For the average mobile customer therefore, 82% of the calls made from their mobile are to fixed phones or mobiles on different networks. This is shown in figure 5c.

Figure 5c Average monthly call types
Base: UK mobile customers aged 15+, Feb '02 (Base: 1560, 'don't knows' have been excluded)



- 5.4 Whilst the average mobile customer made more calls to fixed than mobile phones from their mobile, this varied most notably by age and spend. Younger customers made twice as many mobile to mobile calls as older customers (52% and 25% respectively). There was a similar difference between heavy and light mobile spenders (60% and 33% respectively).
- 5.5 All customers claimed to make slightly more off-net than on-net calls. Within this however were distinct differences, again by age and spend – younger customers and heavier spenders made more on-net calls than older customers and lighter spenders. These heavier on-net callers were more likely to have considered who they would be calling and taken into account on-net benefits when selecting their mobile – further evidence that some consumers are making educated decisions in their choice of mobile.

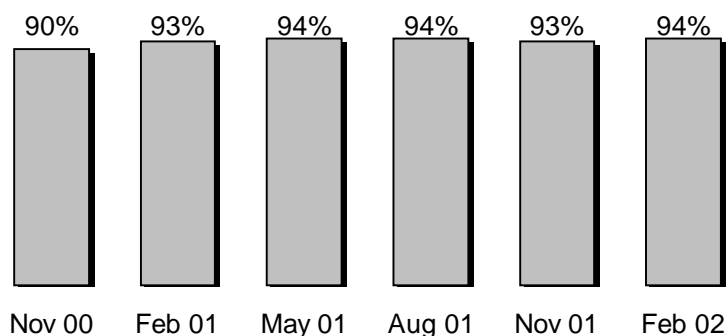
Chapter six

Customer satisfaction

Mobile service overall

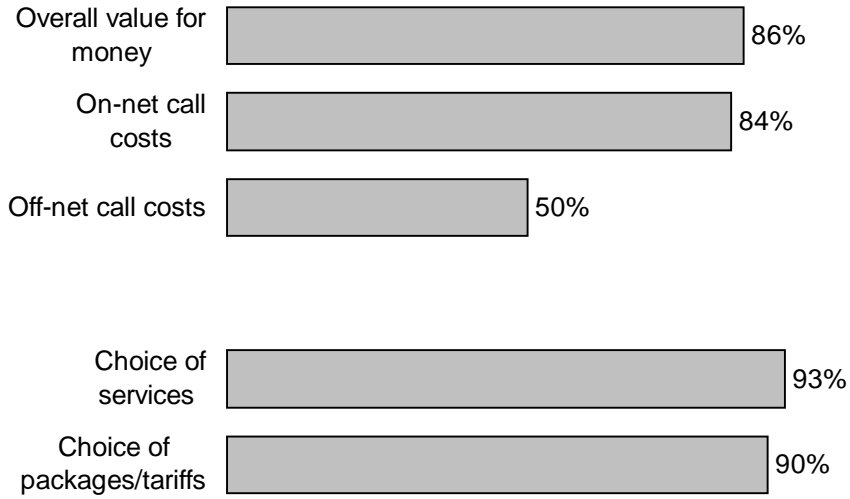
- 6.1 Satisfaction with the overall mobile phone service has remained fairly stable over the last year with 94% customers currently claiming to be fairly or very satisfied, as seen in figure 6a. There was little difference between the four mobile networks or between the different types of package used.
- 6.2 Overall satisfaction with mobile service was slightly higher than comparable measures in the fixed telecoms and Internet markets (where 91% and 89% respectively were satisfied with these services).

Figure 6a % UK mobile customers satisfied with overall mobile phone service
Base: UK mobile customers aged 15+, Feb '02 (Base: 1560, 3% 'don't knows' have been excluded)



- 6.3 Satisfaction with various aspects of the mobile service, including price and the choices available, is shown in figure 6b. Overall value for money remains virtually unchanged at 86% following a slight fall in November (from 88% to 85%). Satisfaction with the cost of on-net calls remains fairly high at 84%, whereas satisfaction with off-net costs is considerably lower at 50%. The vast majority of customers are satisfied with choice of packages, tariffs, and services (eg Internet, SMS, voicemail) available.
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Figure 6b % satisfied with aspects of mobile service
Base: UK mobile customers aged 15+, Feb '02 (Base: 1560, don't knows have been excluded)

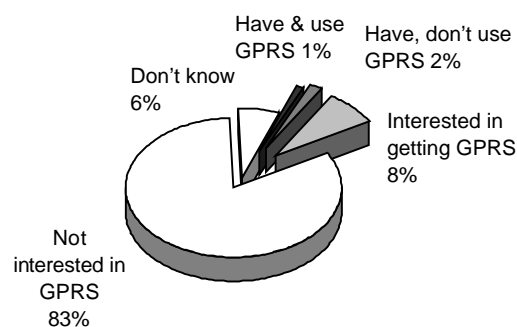


Chapter seven

Interest in new mobile services

- 7.1 GPRS mobile phones offer faster access to mobile Internet services. The phone is always connected to the Internet meaning that the customer doesn't need to dial up and connect each time they want to use it. Billing is based on the amount of data downloaded rather than the length of time spent connected. The customer may pay extra line rental to get the GPRS service.
- 7.2 Mobile customers were asked whether they had a GPRS phone, how often they used it, or whether they'd be interested in getting one in future.
- 7.3 In February, 3% of mobile customers said they had a GPRS phone. Users were predominantly under the age of 34, higher income groups, heavy home Internet users and heavy mobile spenders. However, just less than half (46%) of those with GPRS phone actually used it to access mobile Internet services (c.1% all mobile customers). This is shown in figure 7a.
- 7.4 The majority of customers (86%) who don't currently have a GPRS phone said they weren't interested in getting one. As with any new service, this may partly reflect lack of awareness of the service and its functions. Interest was highest amongst men, younger customers, heavy mobile spenders, and interestingly those without a fixed phone at home, an indication perhaps that for these consumers at least, GPRS might provide an attractive means of Internet access.

Figure 7a Use and interest in GPRS mobile services
Base: UK mobile customers aged 15+, Feb '02 (Base: 1560)



Chapter eight

Impact of mobiles on use of fixed phones

Impact of mobile phones on the calling behaviour from fixed home phones

- 8.1 7 in 10 UK adults claimed to personally have both a fixed and mobile phone. Some examples of the various ways in which mobile communications are impacting on fixed line usage are shown below in figure 8a. There has been little change in these figures during the last 18 months.
- 8.2 Convenience remains the main reason for selecting mobiles rather than fixed phones, and a quarter of customers said they use their mobile when their fixed phone is being used by someone else. A significant minority of customers were selecting their mobile rather than fixed phone for perceived cost savings on a range of call types.
- 8.3 Mobile customers with Internet access at home tend to spend more on their monthly bill as their Internet usage increases, suggesting that some of these consumers may be using their mobile to make calls when their fixed phone line is connected to the Internet - 15% consumers with both a fixed and mobile phone claim to be doing this.

Figure 8a Examples of consumer preference for mobile over fixed phone usage
Base: UK consumers aged 15+ with both fixed and mobile phone, Feb '02 (Base: 1479)

	Aug 00	Feb 01	Aug 01	Feb 02
Use mobile when fixed phone being used by someone else	22%	23%	22%	25%
Use mobile even when more expensive than fixed because convenience is more important than cost	20%	24%	23%	20%
Use mobile instead of fixed to use up free call minutes	21%	18%	15%	19%
Use mobile instead of fixed to call mobile on same network because cheaper	14%	15%	16%	15%
Use mobile instead of fixed at certain times of day because cheaper	13%	12%	13%	15%
Use mobile when fixed phone is connected to the Internet			14%	15%
Use mobile instead of fixed for certain numbers because cheaper	10%	11%	9%	13%
Use mobile instead of fixed to call mobiles on different networks because cheaper	7%	3%	6%	6%
Not actively choosing mobile in any of the above circumstances	31%	32%	34%	35%

Calls to mobiles

- 8.4 Findings have shown high levels of satisfaction with mobile services, and evidence that at least a fifth of customers are switching network, and significantly higher proportions are choosing one means of calling over another to get the best deal.
- 8.5 The increased penetration of mobiles naturally means a significant proportion of calls are made not just from mobiles, but also *to* mobiles. Oftel Market Information publication shows a 13% rise in the volume of residential calls from fixed lines to mobile numbers in the year to September 2001 – greater growth than both local and national fixed call volumes.
- 8.6 Fixed phone customers estimated that about a fifth of their calls on average were to mobile numbers. Again this was higher amongst younger rather than the older customers, amongst larger households, and rose from 15% amongst those with a quarterly fixed bill of £50 per quarter to 30% amongst those with a quarterly bill of more than £100. Households without mobiles estimated that about 10% of their fixed calls were to mobiles, compared with 23% amongst homes with mobiles.
- 8.7 Less than a fifth (17%) of fixed phone homes said they didn't make any calls to mobiles from their fixed phone. These were predominantly older consumers, smaller households, and lower income groups.
- 8.8 Despite the high penetration of mobiles in UK homes (80%) and the similar proportion who make calls to mobiles from their fixed phone, there is still evidence of consumer confusion over identification of mobile numbers, awareness of call costs, and some concern over price of calls to mobiles from fixed line phones.
- 8.9 Half (53%) of fixed phone customers said they usually know whether or not they were calling a mobile number – there has been no change in this figure since August 2000 (55%). Only a fifth (18%) said they knew roughly how much it costs to call a mobile from their fixed phone, and only 15% said the cost didn't matter to them. 46% of fixed phone customers were satisfied with the cost of calls to mobiles, which is low in comparison to 78% satisfaction with overall value for money of fixed services.
- 8.10 Despite these concerns, the majority were not deterred from calling mobile numbers, although a significant minority said they were less likely to call a mobile because of the cost (30%) or tended to keep the call shorter than if they were calling a fixed number (40%). There has been no change in the figures since February 2001.
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Annex 1

Q8 February 2002 residential questionnaire – Mobile questions

Q1. SHOWCARD Approximately what proportion of the calls FROM the fixed phone in your home are to mobile phones? SINGLE CODE

More than three-quarters	1
Around three-quarters	2
Over half but less than three-quarters	3
Around half	4
Less than half, but over a quarter	5
Around a quarter	6
Less than a quarter	7
None	8
Don't know/no answer	9

ASK ONLY THOSE ON THE TELEPHONE

Q2. SHOWCARD Which, if any, of these statements apply to the calls you make from your fixed phone at home to mobile phones? MULTICODE

A	I usually know whether or not it is a mobile number I am calling	1
B	I know roughly how much it costs to phone a mobile from my fixed phone	2
C	It doesn't really matter to me how much it costs to call a mobile number	3
D	I am less likely to call a mobile number because of the call cost	4
E	If I know it's a mobile number I'm calling, I tend to keep the call shorter than if I was calling a fixed phone	5
	None of these	6
	Don't know/no answer	7

ASK ALL

Q3. SHOWCARD Which of these do you consider to be your MAIN method of making and receiving telephone calls? SINGLE CODE

Public payphone	1
Mobile phone	2
Fixed line phone at home	3
Fixed line phone at work	4
Other (WRITE IN)	5
Don't know/no answer	6

ASK ALL

Q4. SHOWCARD **And how satisfied are you with [insert method from Q14] as your main method of making and receiving calls?** SINGLE CODE

Very satisfied	1
Fairly satisfied	2
Not very satisfied	3
Not at all satisfied	4
Don't know/no answer	5

ASK ALL

Q5. **How many mobile phones in total do you and members of your household use?** SINGLE CODE

None	1
One	2
Two	3
Three	4
Four or more	5
Don't know/no answer	6

Q6. SHOWCARD **Which mobile phone supplier do you personally use?** SINGLE CODE

BTCellnet	1
One2One	2
Orange	3
Virgin	4
Vodafone	5
Other (WRITE IN)	6
Don't know/no answer	7

Q7. **And who decided which mobile network you use?** SINGLE CODE. PROMPT IF NECESSARY.

Decided myself	1	GO TO Q31
The person who gave me my mobile phone	2	GO TO Q33
My employer/the person who owns the mobile phone I use	3	GO TO Q33
Other	4	GO TO Q33
Don't know/no answer	5	GO TO Q34

ASK THOSE WHO DECIDED THEMSELVES WHICH NETWORK TO USE
(Q30/1)

Q8. **Why did you choose** [INSERT MOBILE NETWORK USED AT Q29]? **What other reasons?**
DO NOT PROMPT, MULTICODE

ASK THOSE WHO DECIDED THEMSELVES WHICH NETWORK TO USE
(Q30/1)

Q9. SHOWCARD **about your mobile phone usage, please could you tell me which, if any, of the following statements apply to you? Please just read out the letter or letters that apply.** MULTICODE

A	Before choosing my current mobile phone, I found out how much it would cost other people to call me	1
B	The cost of other people calling me was a significant factor in my choice of one mobile network over another	2
C	When choosing my mobile network, I took into account which networks the people I would be calling on their mobiles were using	3
	None of these	4
	Don't know/ no answer	5

FOR THOSE WHO HAD THEIR NETWORK DECIDED FOR THEM (Q30/2-4)

Q 10. **Why did the person who chose your network decide to get you** [INSERT NETWORK USED AT Q29]? **What other reasons?** DO NOT PROMPT, MULTICODE

ASK ALL MOBILE USERS

Q 11. SHOWCARD **Which of these statements best describes the mobile phone package you have? Please just read out the letter that applies.** SINGLE CODE

A	Pre-paid package (ie after paying a one-off fee for the phone, "top up" is bought as and when required)	1
B	Monthly subscription contract (ie	2

	line rental and call charges are paid each month)	
C	All in one package (ie phone and any line rental is paid in advance and calls are either billed monthly or paid by call vouchers)	3
	Other	4
	Don't know/no answer	5

Q 12. **Approximately how much would you estimate the monthly cost of your mobile phone to be? Please include the cost of VAT, calls, line rental and messaging services as applicable. SINGLE CODE – PROMPT IF NECESSARY**

Less than £6	1
£6-£10	2
£11-£20	3
£21-£30	4
£31-£50	5
£51-£100	6
£101-£200	7
More than £200	8
Don't know/no answer	9

Q 13. **SHOWCARD Approximately what proportion of the voice calls you make FROM your mobile phone (excluding text messages) are to other mobile phones? SINGLE CODE**

More than three-quarters	1	
Around three-quarters	2	
Over half but less than three quarters	3	
Around half	4	GO TO Q37
Less than half but over a quarter	5	
Around a quarter	6	
Less than a quarter	7	
None	8	GO TO Q38
Don't know/no answer	9	

IF MAKE ANY CALLS TO OTHER MOBILES (Q36/1-7)

Q 14. **SHOWCARD And approximately what proportion of the voice calls you make to mobiles (excluding text messages) are to mobiles on the same network as yours? SINGLE CODE.**

More than three-quarters	1
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Around three-quarters	2
Over half but less than three quarters	3
Around half	4
Less than half but over a quarter	5
Around a quarter	6
Less than a quarter	7
None	8
Don't know/no answer	9

Q 15. SHOWCARD **And how satisfied are you with the following.....** SINGLE CODE FOR EACH PART

		Very satisfied	Fairly satisfied	Not very satisfied	Not at all satisfied	Don't know/no answer
a)	Your mobile service overall	1	2	3	4	5
b)	Price of voice calls to other mobiles on the same network as yours	1	2	3	4	5
c)	Price of voice calls to mobiles on different networks than yours	1	2	3	4	5
d)	Choice of packages and tariffs available	1	2	3	4	5
e)	Choice of services available through your mobile (eg internet, text messaging, voicemail)	1	2	3	4	5
f)	Overall value for money from your mobile phone supplier	1	2	3	4	5

Q 16. SHOWCARD **How important are the following aspects of your mobile service in your choice of mobile network?** READ OUT AND ROTATE LIST. SINGLE CODE FOR EACH PART

		Very important	Fairly important	Not very important	Not at all important	Don't know/no answer
a)	Geographic coverage	1	2	3	4	5
b)	Quality of reception ie the ability to access the network, and the ability to finish your call without getting cut off	1	2	3	4	5
c)	Customer service/after sales care	1	2	3	4	5
d)	SMS/text messaging service	1	2	3	4	5
e)	Internet services provided over your mobile	1	2	3	4	5

f)	Overall cost of mobile service	1	2	3	4	5
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Q 17. Have you ever changed your mobile phone network or service provider? IF YES, ASK: Was this in the last twelve months or more than a year ago? SINGLE CODE

Yes – in the last 12 months	1	GO TO Q41
Yes – more than a year ago	2	GO TO Q41
No – never changed mobile phone network or service provider	3	GO TO Q42 IF TELEPHONE AT HOME, ELSE GO TO Q43

ASK IF EVER CHANGED NETWORK (Q40/1-2)

Q 18. Why did you change to a different mobile network/supplier? What other reasons? DO NOT PROMPT, MULTICODE

ASK ONLY MOBILE PHONE USERS WHO ALSO HAVE A TELEPHONE AT HOME

Q 19. SHOWCARD Thinking about when you use your mobile rather than your fixed phone, which, if any, of the following statements apply? Please just read out the letter or letters that apply. MULTICODE

A	Use mobile instead of fixed to use up free mobile minutes/vouchers before expires	1
B	Use mobile instead of fixed at certain times of the day because cheaper	2
C	Use mobile instead of fixed for certain numbers because cheaper	3
D	Use mobile instead of fixed to call mobiles on same network because cheaper	4
E	Use mobile instead of fixed to call mobiles on different networks because cheaper	5
F	Use mobile even when more expensive than fixed because the convenience is more important than the cost	6
G	Use mobile when home phone being used by someone else	7
H	Use mobile when home phone line is connected to the Internet	8

None of these	9
Don't know/no answer	10

ASK ALL MOBILE PHONE USERS

Q 20. **GPRS mobile phones offer faster access to mobile Internet services. You are always connected to the Internet rather than having to dial-up each time. You are billed according to the amount of data that you download, not the length of time you spend connected. You may pay extra line rental to get the GPRS service. Do you have or use a GPRS mobile phone?** SINGLE CODE

Yes	1	GO TO Q45
No	2	GO TO Q44
Don't know/no answer	3	

ASK ALL WITHOUT A GPRS PHONE (Q43/2)

Q 21. **SHOWCARD How interested are you in having a GPRS mobile phone?** SINGLE CODE

Very interested	1	
Fairly interested	2	
Not very interested	3	GO TO Q46
Not at all interested	4	
Don't know/no answer	5	

ASK ALL WITH GPRS (Q43/1)

Q 22. **SHOWCARD How often, if at all, do you use the Internet via your GPRS mobile phone service?** SINGLE CODE

At least once a day	1
At least once a week	2
At least once a month	3
Less often than every month	4
Do not use the GPRS service	5
GPRS service not currently available on my network	6
Don't know/no answer	7
